

World Politics

1918—1936

and the main line upto mid—1960

by

R. Palme Dutt



ADHAR PRAKASHAN

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Publisher's Note

In response to a steady demand for "World Politics, 1918-1936" from university circles, publicists, journalists and general readers, we are re-issuing this classic of international political literature.

This book was published in England in 1936 and immediately it made its impact on a very wide circle. In India this has been almost a text-book for the last quarter century. Only its non-availability stood in its wider circulation.

We are singularly fortunate that the erudite author has found time, in spite of many and varied pre-occupations, to write a special preface for the Indian Edition, to bring main lines of international political developments upto mid-1960.

We do not exaggerate when we say that so many of the analytical projections of this book have been proved precisely true that it has assumed almost a prophetic aura.

We had offered the author to change the text, if he so wished. But he refused to change even a comma or a full stop. That in itself is a manifestation of the classic character of the book.

We commend this book to all serious students of politics and international affairs and hope that this new edition will be as well received as the earlier edition.



TO. S.

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PREFACE TO THE Indian Edition of "World Politics"

"World Politics" was originally published in England in 1936. This was before Munich and before the second world war.

The text of "WORLD POLITICS 1918-36" is here reprinted without alteration, exactly as it was published in 1936. It would have been easy today to make changes and revisions with the wisdom of hindsight from subsequent events, or in the light of the mass of information and memoirs now available in relation to this period. But such an approach would only be justified in a new book. The usefulness of reprinting the analysis here given is precisely because it reveals the picture of the world as seen at the time, when the future was not known, at the moment when Hitler was opening his offensive which was to lead to the second world war, when the fatal policies of the Western Governments and the weakness of the democratic forces in the West were easing his path and making war inevitable.

Today after 24 years it can be said that the main line of the analysis stands up to the stern test of subsequent events and later knowledge. One-quarter of a century later the analysis has been in broad outline confirmed by the outcome. Once again the method of Marxist analysis of events, in contrast to the manifold other methods illustrated in publications appearing at the same date and sadly out-dated today has received a certain significant vindication.

Gigantic changes have taken place in the world since 1936. The fatal policies of the Western Governments, embodied in Munich, in fostering Hitler's rearmament and aggression, and refusing the joint front with the Soviet Union which would have barred Hitler's path and prevented war, made the second world war inevitable. The weapon which the western statesmen had aimed to sharpen for use against the Soviet Union was turned first against themselves.

With strategic realism Hitler directed his war offensive first against the rotten framework of Munichite Western Europe, in order to establish his enlarged base through the conquest of four hundred millions before entering on his supreme offensive against the Soviet Union in 1941. The Western Governments and peoples had to learn the hard way, through the Nazi occupation of all Western Europe and the mortal peril of the British people, the necessity of the alliance with the Soviet Union which they had previously refused and now eagerly adopted. That alliance brought victory for the peoples and the downfall of Hitler. The Hitlerite armies which had inflicted swift defeat on every army in Europe met their masters in the invincible courage and strength of the resistance of the armed people of the first Socialist State. The Soviet armies and people, at terrible cost, engaged and destroyed the overwhelming majority of the Nazi armies (concentrated on the Eastern front, with most of the time no other front in Europe) until at last three years after the assault on the Soviet Union, when the Nazi armies had been irretrievably broken by the Soviet Union, the Anglo-American forces, still relatively unscathed in war, were able to land in Western Europe in order to participate in the final joint victory, and in order, as Sir Samuel Hoare, the British Ambassador in Spain, explained to Franco during the war, to prevent the downfall of Fascism being followed by the sweeping victory of Socialism and popular revolution all over Europe.

The outcome of the second world war brought vast social and political changes in its train, further weakening and restricting the old order of imperialism, and carrying forward the advance of socialism and national liberation to new sweeping victories.

On the eve of the second world war imperialism still ruled five-sixth of the world. Socialism was confined to a single state with a population less than one-twelfth of the world's population. The majority of the world's population lived in colonial or semi-colonial subjection to a handful of ruling imperialist powers. Fascism dominated most of Europe outside the Soviet Union, and by 1940 all the European continent beyond the borders of the Soviet Union.

Today the world reveals a very different picture. In place of a single socialist State, there is now an array of socialist States, with a population of close on 1,000 million or nearly two-fifths of the population of the world. Out of 1,500 million colonial and semi-colonial peoples subjected to imperialism on the eve of the second world war, close on 1,300 million have now established their politically independent States, even though complete economic and political independence from colonialism has only been finally fulfilled in those states which have advanced to the basis of people's democracy and socialism (Chinese People's Republic and Korean and Vietnam People's Republics). The majority of peoples remaining under the old colonial subjection, as still in the greater part of Eastern, Central and Southern Africa, or in semi-colonial subjection to imperialism through the domination of the great imperialist monopolies and Governments maintained by them, as in Latin America, are rapidly advancing to the victory of their struggle for freedom. Most recently Iraq in 1958, Cuba in 1959, and the emergence of a host of new independent African States in 1960 have shown the rapidity and extent of this further advance.

Thus the new rising world is rapidly eclipsing the old dying world. The economic superiority of socialism has been over-whelmingly demonstrated during the decade and a half since the second world war. Despite unparalleled destruction by Nazism, the Soviet Union not only completed reconstruction to the pre-war level in record time within five years, but has now advanced to new heights at a tempo which has amazed witnesses of every political outlook. Already the world's second industrial power, and admittedly first in scientific, technological and educational progress, the Soviet Union is now rapidly approaching the prospect within a short space of years (assuming that war does not intervene) to overtake production per head and living standards the most advanced and privileged sector of capitalism in the United States.

Between the 1,000 millions of the new socialist world and 700 millions of the new independent States which won political independence from imperialism and are engaged in the task of national reconstruction, relation

of friendship and practical cooperation have been developed. Socialist economic aid has brought in new methods to assist the rapid independent economic development of these States, through the replacement of colonial economy by industrialisation, in contrast to the previous caricature of "aid" with strings utilised by imperialism to maintain colonial economy, ensure economic dependence and often also military and strategic dependence. The Bandung Conference of Afro-Asian States in 1955, uniting representatives of the Governments of 1,700 million or the majority of the world's population, and reaching unanimous resolutions for national independence, the end of colonialism, and peaceful co-existence, revealed the opening of a new era. Imperialism has been reduced to a minority position in the world.

All this advance of the new rising world has not taken place without the most intense opposition and violent resistance from representatives of the old imperialist order and reactionary sections within the countries concerned. Countless colonial wars have been waged by all the imperialist powers during all these years, thus giving the lie to the false picture of the "voluntary" cession of state power in those territories where the imperialists had no longer sufficient forces to vanquish the national revolt and accordingly made the best terms they could with the ruling class strata in these countries in order to ensure maintenance and protection of their economic assets and interests. Such colonial wars have been waged by Britain in Malaya, Indonesia, Yemen, Greece, Cyprus, Suez and Kenya; by France in Vietnam, Laos, Cambodia and Algeria; by Holland in Indonesia; by the United States in the Philippines, Greece and Korea as well as the armed invasion of Lebanon and territories in Eastern Asia, or the indirect colonial war in Guatemala. The United States to the last sought to strangle the Chinese Revolution, pouring out six billion dollars in supplies and arms for Chiang Kai Shek, and even after the final victory of the Chinese Revolution in 1949, invading Korea in 1950 and maintaining Chiang Kai Shek under cover of the United States Navy in the military occupation of Taiwan. Counter revolutionary puppet regimes have been set up and maintained, by imperialist arms and finance, as of Chiang Kai Shek

in Taiwan, Syngman Rhee in South Korea (overthrown by the people in 1960), Bao Dai and later Ngo Diem in Vietnam. Counterrevolutionary assaults, openly organised by the West, have been attempted against the people's democratic socialist regimes in Eastern Europe (Hungary), or against popular regimes in ex-colonial countries which have dared to lay hands on imperialist assets (Iran oil nationalisation under Mossadeq, followed by the military coup of General Zahedi). When Egypt nationalised the Suez Canal, Britain and France, in conjunction with the imperialist satellite Israel, let loose full scale war in 1956. Only the united resistance, not only of Egyptian people and the Arab Liberation movement, but of all the peoples in the world, with the Soviet Union in the forefront, and the Soviet Note to Britain playing the final decisive role, brought this brigand war to a sudden end with a fiasco whose effects still resound in British politics.

Nevertheless, all the major offensives of imperialism during this period (China, Korea, Vietnam, Hungary, Suez) have ended in failure. In those countries where counter-revolutionary regimes maintained by imperialism still hold sway, popular anger is steadily sweeping them away year by year in one country after another. Such has been the significance of the fall of the Nuri dictatorship in Iraq in 1958, of Batista in Cuba in 1959, of Syngman Rhee in South Korea and Menderes in Turkey in 1960, or the mass popular demonstrations against Kishi and the United States-Japanese Military Treaty in Japan in 1960.

A whole system of so-called "cold war" has been organised by the Western imperialists, expressed in a ring of military alliances and bases and economic embargoes, to encircle the socialist world. This programme was already devised in secret by the leaders of policy in Britain and the United States in 1942, as soon as it became clear that fascism was doomed and that its downfall would bring the menace of popular revolutions and the victory of socialism all over the world. The Churchill secret memorandum of 1942, later divulged by Harold Macmillan, set out the aim of the post-war front against Soviet Union ("Russian barbarism"); while in the United States the Manhattan Project for the construction of the atom bomb was initiated in 1942 under

the command of General Groves, who has later stated that he understood from the first that the purpose of the atom bomb was essentially intended against the Soviet Union (the trial use against Japan in 1945 was not to hasten the surrender of Japan, which was already suing to surrender, but as the first shot in the cold war to demonstrate the power of the new atomic weapon for after the war). The first public proclamation of the programme was in the Churchill Fulton speech of 1946, delivered under the chairmanship of President Truman.

The Western "cold war" programme carried forward the general line of the "Anti-Comintern Pact" of the Hitler-Mussolini-Tojo Axis. Indeed, many of the same slogans and propaganda were taken over. Thus the slogan of the "Iron Curtain" to describe the socialist countries was first coined by Goebbels to be used in this way in February, 1945, and then borrowed by Sir Winston Churchill at Fulton a year later without acknowledgment of authorship. For the purpose of the programme Nazi militarism was rearmed in Western Germany, and Japanese militarism in Japan, in each case in open violation of the post-war treaties. A series of sectional military alliances, in violation of the United Nations Charter was organised under the leadership of American imperialism; the North Atlantic Treaty Organisation in Western and Southern Europe; the Central Treaty Organisation (originally Baghdad Pact, until the Iraq revolution ended its headquarters in Baghdad) in the Middle East, drawing in Turkey, Iran and Pakistan; and the South East Asia Treaty Organisation in South East Asia, alongside the United States military alliances covering the Phillippines, Taiwan, South Korea and Japan. A gigantic rearmament programme was initiated. American military expenditure was multiplied to forty times the pre-war level. United States overseas military bases were established in all the satellite countries of the alliance, whose countries in return received economic subsidies and military supplies from the United States.

In the initial strategy of the "cold war" the atom bomb was regarded as the decisive weapon of power of the West. On the basis of monopoly of the atom bomb Western publicists declared during the first phase after the war, and after the demonstration at Hiroshima and

Nagasaki, that world power had now passed to the United States and Britain, that the Soviet Union and all other countries were henceforth second class powers, and that on the basis of a threat of the use of the atomic weapon a "showdown" could be reached with the Soviet Union to compel the socialist world to surrender to the terms imposed by the West.

These illusions were soon shattered. The Western Powers discovered by 1947 that they had no atomic monopoly. The proposals, annually presented by the Soviet Union to the United Nations, for the banning and destruction of all nuclear weapons, were repeatedly voted down by the Western Powers. Hence the Soviet Union was compelled to develop nuclear weapons to counter those of the West. In a short time the superiority of Soviet science was demonstrated. With the development of the hydrogen bomb and the long-range rocket it became clear by the middle fifties that Soviet science and technology had left the Western levels behind since 1953. The Sputnik in 1957 demonstrated this new situation in the world. Whereas previously all the Western strategists and publicists had poured out prophecies of the coming atomic destruction and military occupation of the Soviet Union, proclaimed in magazines and literature spread in millions of copies over the world it was now revealed that the Soviet inter continental ballistic missile could destroy with pinpoint accuracy, not only every base in American satellite countries, but also with in the territory of the United states, while the United States had still no corresponding weapon in operation by 1960. In place of the former bombast of nuclear superiority, hysteria over the "missile gap" now dominated American and the other Western political and strategic discussion.

Thus the experience of recent years had increasingly demonstrated the bankruptcy of the Western "policies of strength". The change in the balance of the world, the advance of the countries of socialism and national liberation to a majority position and the relegation of imperialism to a minority position, and the vanishing of the dreams of nuclear monopoly or superiority, have brought defeat to the old policies and compelled new approaches. It became widely recognised that the only alternative to the cold war and the fatal "policies of

strength" was to advance to serious top-level negotiation on a basis of equality in order to replace the cold war by peaceful co-existence, and the arms race and ban nuclear weapons.

The first approach to top-level negotiations between East and West was made at the Summit Conference of the United States, Britain, France and the Soviet Union at Geneva in 1955. Enormous popular enthusiasm was aroused in all countries by a prospect of a shift from the cold war to peaceful co-existence. Alarmed by the prospect thus opened out that peaceful co-existence would lead to still further advance of the peoples, national liberation and socialism in the world and to further weakening of imperialism the leaders of the Western Powers reversed the engines repudiated at the subsequent Foreign Ministers' Conference the provisional steps to agreement reached at Geneva, and resumed the path of active aggression. There followed the war of Britain and France in Suez in 1956, and the armed occupation of Lebanon and Jordan by the United States and Britain in 1958.

Once again the aggressive moves of imperialism ended in failure. The economic and technical superior tempo of advance of socialism continued to increase. The nuclear superiority of socialism continued to increase. National liberation swept forward. So followed the second approach towards top-level negotiation between the same Four Powers, scheduled to be held at Paris in May, 1960. This time the enemies of peaceful co-existence and the champions of the cold war had to resort to extraordinary violent measures, through the aggressive invasion by a jet plane capable of carrying a hydrogen bomb, 1200 miles into the Soviet Union, on the very eve of the planned Conference, and subsequent official justification of this act of aggression and violation of international law on grounds of military necessity. In this way, so long as the right of aggression and invasion was thus publicly upheld, negotiation was rendered impossible, and the Conference could not take place.

Thus we have reached a moment in the international situation which is in certain respects comparable to the precarious situation described in this book in 1936. Once

again the issue of peace or war hangs in the balance. Once again the fatal and the suicidal path of anti-Soviet and anti-Communist obsession, which led the Western statesmen then to support Hitler's rearmament and aggression, and thus open the gates to the second world war, has led them anew along the same track to the negotiation of the American-led system of military alliances against the socialist world, the rearming of Nazi and Japanese militarism, and the proclamation of the NATO crusade against the Soviet Union and communism to cover the real aggressive aims of Western imperialism and its hostility to the aspirations of the peoples.

But this time the stakes are higher. A world war with modern nuclear weapons could cause incalculable destruction. So long as nuclear weapons are maintained, so long as the arms race and the confrontation of military alliances through the cold war is maintained, an incident or a local conflict could rapidly lead to such large-scale nuclear war.

At the same time the strength of the forces of the peoples on the side of peace is immeasurably greater. Before 1914 the old Socialist International, with its twelve million members, was not yet strong enough or united enough to be able to prevent the first world war. Before the second world war the very much greater, though not yet fully united, strength of the peace movement of the peoples in Western Europe, in cooperation of the strength of the Soviet Union, came within an ace of compelling the reversal of the Munichite policies of the Western rulers and thus preventing the second world war. To-day the strength of the socialist third of the world, of the peoples of the newly independent states who are opposed to imperialism and who desire peace, and of the working class and people's movement for peace in the imperialist countries, is indisputably greater than the strength of the aggressive forces of imperialism. The outcome will depend on the vigilance and unity and organisation of the peoples in the cause of peace. Hence third world war is not inevitable. Given necessary vigilance and unity of the peoples, the drive of imperialism to war can be defeated, and peaceful co-existence can be won.

The positive perspective which the end of the cold war and victory of peaceful co-existence would bring within view, through the further advance of the peoples through out the world, the peaceful transition to the socialist organisation of society, and the consequent mastery of all natural, scientific and technical resources for the benefit of mankind, is breathtaking in the horizons which would open out before us. But we cannot afford to under-estimate the dangers of the present critical moment in human history. For this reason the supreme aim of peace must necessarily govern our immediate approach to every question of the present international situation.

July 7, 1960

R. Palme Dutt

CHAPTER I

The New World Situation

"Since the war the manifest forces of Satan have been more conspicuously at large"

RT. HON. STANLEY BALDWIN, addressing a Wesleyan Methodist meeting, *The Times*, February 22nd, 1926.

At the present day, in the midst of lowering international clouds on all sides, it is not necessary to emphasise the urgency of the problems of world politics. It is sufficiently clear to all that we are faced with questions which this generation must solve on pain of destruction. In every sphere, economic and political, antagonisms and conflicts are advancing to bursting-point.

The whole world situation since 1914 is so profoundly new in every respect, the whole balance of forces is so completely changed from what existed before 1914, and is daily further changing, that we need, without illusions, without facile preconceptions, to take stock afresh of the issues of our epoch as they are developing to-day.

The eighteen years since the Armistice are no closed period; every division is of necessity arbitrary, and every period is one of greater or less transition and change. The old pre-war issues have not vanished, but are merged and transformed into the post-war, and these in turn into those of today. Nevertheless, on a survey of the broad outlines of the world situation in 1936, it is increasingly evident that all the issues of our epoch, which have been accumulating for nearly two decades since the ending of the war, are coming to a head in the period that is now opening.

The settlements that followed the war have crumbled. Washington has gone; Locarno has gone; the greater part of Versailles has gone, except for the territorial and colonial settlements, and these are now the object of attack from the revisionist offensive. World economic stabilisation has dissolved since the world economic crisis. The League of Nations has revealed its weakness once

anew over the Italo-Abyssinian war, following its demonstration of impotence before the war of Japan for the conquest of North China. All the questions of the future of world organisation, of war and peace, of international political relations, are thrown into the melting-pot.

What is to follow the post-war order that the victorious imperialist Powers sought to establish and that to-day is crumbling? Within imperialism the challenging, revisionist Powers, led by Nazi Germany, Fascist Italy and Fascist-militarist Japan, drive forward their offensive. This issue dominates the world situation today. In place of the old, obsolete post-war issue of reparations and war debts, of reduction of armaments, etc., new questions occupy the centre of the stage today: questions of the so-called "Have" and "Have Not" Powers, of the redistribution of colonies, of the distribution of colonial raw materials, of revisionism and the *status quo*, of collective security and the localisation of war, of economic self-sufficiency, of rearmament. All these questions and slogans of the present day express with ominous clearness the advance of imperialism once again to war for the re-division of the world, 1914 solved nothing.

The menace of new world war overhangs the present world situation. On all sides the world is felt to be drifting to catastrophe without control; yet the majority of political leaders and statesmen have no solution to offer. What must be done? Can a new world war be prevented? How? This question tears at the hearts of the masses of the population in every country.

The world situation is judged by many to resemble that on the eve of 1914. Yet in fact the differences are far-reaching. These differences are the outcome of the whole development of the two decades between, decades which in their rate of development are equivalent to centuries in previous times. These differences are not only in the relations of the imperialist Powers. They lie still more in the deeper social changes which are transforming the whole basis of existing society.

The relations of capitalism and socialism have undergone a profound change with the establishment of the Soviet Union, and its building of the first socialist economy. The Soviet Union daily grows in strength

and occupies now the position of the second world Power in economic-political weight. This is a situation to which previous history knows no parallel. On the basis of its growing strength the Soviet Union is able to exercise an increasing influence in world politics. The relations of the capitalist world and of the Soviet Union, and in particular of the efforts of the reactionary and Fascist sections of imperialism to promote war against the Soviet Union, and of the Soviet Union to build up a world front for peace, raise far-reaching questions for the future.

But this growing transformation in the relations of capitalism and socialism is expressed also directly in the capitalist world. These two decades have produced a profound awakening and growth of strength and consciousness in the working class through all the world-shattering events since 1914, an awakening which has affected also all the lower and middle strata of the population, and undermined the basis of the old social order. Capitalism in decay has turned increasingly to methods of violent reaction and repression, and in an increasing series of countries, to Fascist dictatorship to maintain its rule. This in turn has led to the growth of the working class united front and of the people's front in a series of countries. The battles of recent years in Austria, in France, in Spain, in Poland, as also in China, in India and in a series of South American countries, have shown that the world stands, not only on the eve of a menacing new world war, but also on the eve of a new series of revolutionary struggles, which are likely to lead to big transformations, and which may even in the most favourable conditions defeat the menace of a new world war, or else turn it rapidly to a different outcome.

For this rise of new social forces extends not only to the capitalist countries of Western and Central Europe and America, but equally to the colonial and semi-colonial countries under the rule of imperialism. The colonial peoples are advancing to throw off the imperialist yoke. Soviet China leads the way in the establishment of a new form which equally knows no parallel in the world of 1914. The national revolutionary movement advances in China as a whole, in India, in the Near and Middle East, in Africa, in Central and South America. The battalions

of the overwhelming majority of the human race are in motion.

The old dominant world social order, which found its culmination in the imperialist era since the beginning of the twentieth century, met its first shattering in the events that began with 1914, the catastrophe let loose by its own hand, and since then has found no peace or recovery. The year 1914 sounded the historic signal for basic change from the old bankrupt imperialist order to the new world socialist order. That change was begun in the events leading out of the first world war, but it was only begun. Over the greater part of the world the attempt was still made to rebuild the old. Therefore the old problems of the decaying order have had to recur today with a hundredfold redoubled force. This is the signal that calls us to new struggles. The great changes that were then begun, but only begun, have now to be carried through over the greater part of the world.

We who are living today are faced with big issues in the coming years. They are world issues. We cannot cut down or limit our outlook from facing them, as they must be faced, on a world plane. The next twenty years are likely to be decisive for the future of the world and of world organisation. We need to be equipped and ready to meet them.

CHAPTER II

The Problem Of World Politics

"Socrates said he was not an Athenian or a Greek, but a citizen of the world"

PLUTARCH, *On Banishment*.

What is the subject-matter of "world politics"? Why have the problems of world politics to-day become more urgent than at any previous time in history?

In order to approach this question it will be easiest to begin with an illustration.

In the beginning of 1936 a current report of the Air Correspondent of one of the leading London journals announced:

"Aeroplanes built on the 'geodetic' principle as embodied in a new type of Air Force General Purposes machine, details of which were divulged a few days ago, will have so great a range that every capital in Europe will be within striking distance of bases in Great Britain. It follows that any part of Great Britain will be within range of air bases in countries whose frontiers are 1,500 miles away,

'Although the 'Wellesley' General Purposes machine was not designed especially for bombing, it could, without sacrifice of the load safety factor, fly 8,000 miles. It could carry a considerable load of bombs 2,000 miles, and return to its base, on one load of fuel. Thus in the European area encompassed by its radius of effective action lie Leningrad, Moscow, Athens, Rome and Madrid.'

(*Observer*, January 19th, 1936)

The type of fact here illustrated is familiar to every reader. It may sound strangely in the ears of an inhabitant of the world a hundred years hence; but to us of the present day this and a hundred similar daily facts are the common place stuff of the world as we

know it. It is, however, plain on a moment's reflection that this type of fact contains a sufficiently striking microcosm of the present world situation.

The newest make of aeroplane, we learn, is able to cover in a single flight 8,000 miles, or one third the distance round the earth. The distance from the furthest point to the furthest point in Great Britain is 600 miles, in France 600 miles, in Germany 500 miles, and even in the continental expanse of the United States, roughly 4,000 miles. Truly it would appear that we are conquering space and overcoming the old national limitations and separations. In relation to modern transport the different countries of Europe are becoming like next-door back-gardens. Yet the thought to which this development immediately gives rise in a representative of modern civilisation, such as the Air Correspondent of this London journal, is that it will now be possible to bomb towns 2,000 miles away. In particular, this British Journal notes in the forefront of its examples that it will now be possible for British aeroplanes to bomb Leningrad and Moscow.

If we wish to understand the reasons for this singular stage of human development which is illustrated in this example in the year 1936, we shall need to make a long journey. For the problem which this situation indicates is the underlying problem of what is termed "world politics."

1. The Central Problem of World Politics.

The questions of world politics—still often spoken of in the conventional localist idiom as "foreign politics"—have increasingly occupied the forefront of attention during the past two decades. The unity and interdependence of the modern world, the necessity of world organisation, these are commonplaces of discussion. [The first world war revealed in a very sharp form the consequences of the existing world anarchy.] The world anarchy is no new thing; it has continued its blind course throughout human history up to the present. But under modern technical and political conditions, with the extreme shrinkage of the world, it is increasingly recognised by all, including those who seek to defend and maintain the existing social order, that the continuance of this world anarchy is the law of destruction,

and that, in the common phrase of these advocates as they see the situation, "another war would mean the end of civilisation." ("Who in Europe does not know that one more war in the West, and the civilisation of the ages will fall with as great a shock as that of Rome?"—Baldwin, January 8th, 1926). Nevertheless, these same advocates, in their capacity as political leaders and statesmen of the existing imperialist States, continue to press forward, and within the limits of their responsibilities see no alternative to pressing forward, preparations on a greater scale than ever before for another war, and pursue policies which, if continued unchecked, can only finally make its outbreak certain.

What is the reason for this seeming contradiction? To understand what lies behind this contradiction, it is necessary to come closer to the concrete realities of world politics.

For the eighteen years since the ending of the war the leading statesmen of the old world have proclaimed the aim of a new world order. New forms of world organisation have been attempted such as the League of Nations. Innumerable international conferences have been held. Treaties, covenants, pacts, renunciations of war, disarmament negotiations, security guarantees and international diplomatic documents of every kind stack the shelves of the Foreign Offices of the world (the staff of the British Foreign Office has increased from 183 in 1913 to 766 in 1932, and already in 1932 it was reported that post-war pacts require more room on the shelves than the treaties of the preceding seventy years). Nor would it be correct to fail to recognise that in all the total situation of sharpened advance to war new elements and factors have also appeared which offer possibilities, even though under heavy limitations, of placing obstacles in the way of renewed war.

Nevertheless, at the end of it all we have to ask the question: What have we so far reached? If we compare 1913 with 1936 we are compelled to say that in many respects the world situation as a whole has sharpened and worsened. The year 1913 is now often referred to as if it had been a golden age, a standard in relation to which the existing decline in a whole series of spheres is measured.

Take first the simplest barometer—armaments. The headlong advance of the armaments race in the present stage is manifest. But indeed the whole post-war period, even before the present extreme spurt, has seen a more or less continuous heavy and increasing advance on pre-war levels. Even the very incomplete official returns of world armaments expenditure show an increase from 2,531 million dollars in 1913 to 3,592 millions in 1925 and 4,900 millions in 1934. Between 1913 and 1930, according to the estimate issued by the Foreign Policy Association of New York, the armaments expenditure of the five leading Powers—Britain, the United States, France, Italy and Japan—measured in gold dollars, rose from 1,243 millions to 2,209 millions, or an increase of 78 per cent. The naval expenditure of the same five Powers, all signatories of the Washington “limitation” Treaty, rose between 1912 and 1934 from £105 millions to £191 millions, an increase of £86 millions, or 82 per cent, as against an increase of £77 millions for the whole period, 1886—1912 (Admiral Sir Herbert Richmond, *Sea Power in the Modern World*). The German Bureau of Economic Research (Institut für Konjunktur forschung) issued the following estimate of the relation of the totals of world armament expenditure and world production (index figures on the basis of 1928 as 100) between 1913 and 1932 :

Word Armament						World Production
Expenditure						
1913	..	..	64	..	..	54
1929	..	..	104	..	..	104
1930	..	..	136	..	..	87
1932	..	..	107	..	..	56

All this was before the collapse of the World Disarmament Conference, before the collapse of the Washington and London Naval Limitation Treaties, and before the new race initiated by German rearmament.

But this heavy advance of the two decades, 1913-1933, is eclipsed by the headlong new “rearmament” race which has now set in and which daily gathers momentum. British armaments expenditure has risen from £104 millions in 1932 to £160 millions in 1936, with £25 millions supplementary provision for additional expenditure, or an

effective increase of 78 per cent in four year apart from the prospects of a rearmament loan programme. United States armaments expenditure has increased from 628 million dollars in 1933 to 1,161 millions in 1936, or an increase of 85 percent in three years. Japanese armaments expenditure has increased from 454 million yen in 1931 to 1,322 millions in 1936, or nearly a trebling in four years, reaching to an allocation of 58 per cent of the budget for war, apart from additional loan expenditure. German rearmament since Hitler, which has been the heaviest of all, remains secret. According to Churchill's estimate in the House of Commons on March 13th, 1936, it has reached the colossal total of £1,500 millions in the first three years of the Hitler regime, 1933-35. Faced with these overwhelming war preparations and open war provocations of Germany and Japan on either side, the Soviet Union (which alone of the Powers has proposed total disarmament) has been compelled to raise its military expenditure from 5,000 million roubles in 1934 to 8,000 millions in 1935 and 14,800 millions in 1936. although these figures represent a lesser proportion of the total budget than in the case of other Powers.

There is no mistaking where these armaments figures point.

Armaments are, however, only the superficially and most easily obvious symptom of the present stage of the world situation.

Turn to international political relations, which are reflected in armaments. Can we say that the situation shows an improvement on 1913 ? The pre-war system of the two clearly defined *blocs* of opposing Powers in Europe, the Triple Entente and the Triple Alliance, has not been reproduced in the present situation. But hundred new causes of war have arisen all over the world. The Fascist revisionist war offensive, led by Germany, Italy and Japan, drives forward. Japan and Italy are already engaged in war. The menace of Nazi Germany hangs over Europe. The issues of war have extended beyond Europe with the triple antagonism of Britain, the United States and Japan in the Pacific, the far-reaching Anglo-American antagonism throughout the world, and the combined menace of war by Germany and Japan against the Soviet Union.

It is true that a number of new factors have arisen in international relations, such as the League of Nations, the attempts to realise collective security (a conception unknown in any generalised form in the world before 1914), the various peace pacts and regional security pacts all of which reflect endeavours to arrest the advance to war, and even seek to do so along lines going considerably further than the Hague Conferences or Concert of Europe of the old pre-war period. Public concern on the questions of war or peace, and on the issues of foreign policy, is far more strongly aroused in all countries; and new forces have arisen on the side of the fight for peace, which it will be necessary to consider in fuller detail later. Nevertheless it is clear to all that the diplomatic attempts so far made diminish the growing antagonisms or stem the advance to war have only revealed their weakness and incapacity to check war or the most flagrant aggression. The events of past five years have shown the shattering of one instrument after another of the existing international political order. They have seen the unchecked Japanese offensive in the Far East, in defiance of the League of Nations, the Kellogg Pact or the Washington Treaties, carving up the living body of China and threatening extended war throughout Eastern Asia. They have seen the war of Bolivia and Paraguay in South America, equally unchecked, and fostered by arms and supplies from the leading Powers, until only the exhaustion of the combatants brought it to an end. They have seen the collapse of the World Disarmament Conference and of the World Economic Conference. They have seen the advance of Hitler to power in Germany and the open Nazi drive to war, casting its shadow across all the countries in Europe. They have seen the unchecked Italian spoliation of Abyssinia. And as a result of all these developments the present situation of international tension is undoubtedly greater even than in 1914.

In the pre-war period before 1914 sharp diplomatic crises of the major Powers in Europe, giving premonitions of future war, occurred in 1905, in 1908 and in 1911. But in the present period diplomatic crisis succeeds diplomatic crisis in almost unbroken succession, each further aggravating the situation and preparing the way for the next; and a British Prime Minister is able to speak of a

“lull” in foreign affairs when he sees the possibility of a few weeks passing without a sharp international crisis.

What of international economic relations? Here the breakdown of the old stability of the pre-war era is even more glaring. Pre-war capitalism was characterised by the single world gold standard, which appeared to the men of that time as immovable as a natural law, although in reality reflecting the temporary conditions of British financial world domination, by the unity of the world market and of world prices, by the extreme mobility of capital across frontiers, by a relative freedom of migration within the European-American world, and by an almost continuously ascending level of production and of international trade. All these basic characteristics of the old stable capitalism have disappeared in the present period, and given place to extreme instability, the chaos of currencies, elaborate restrictions on trade and production, a heavy fall in the export of capital, lowered levels of international trade, intensified economic warfare and the tendencies of monopolist isolationism loosely spoken of as “national self-sufficiency” or “autarchy.”

Finally, in the sphere of internal politics, we see the extreme intensification of class antagonisms, reaching to the point of civil war in a number of countries, to revolutionary developments of world significance in vast regions of the earth, to the simultaneous growth of counter-revolutionary and Fascist dictatorships for the maintenance of the existing class rule in other countries, and in this way leading to the increased political disparateness of different groups of countries and the further intensification of world antagonisms.

Thus the picture of the world to-day is the picture of a world in the throes of conflict in every sphere. On the face of it the conclusion might appear justified that the world situation as a whole in the past two decades, in spite of all the contrary efforts and propaganda for world unity and peace on a scale never before equalled, has moved further away than before from world unity and peace and towards increasing world antagonisms.

What is the meaning of this process? Does it mean that the conception of world unity and of an ultimate ordered world society is a phantasm out of relation to

realities ? This is the conclusion of one school of thought, the traditional reactionary, Conservative or Fascist school, whose reading of history sees the law of the tiger as the inevitable ultimate law of human affairs. A typical expression of this outlook is to be found in the interview given by the aged Clemenceau shortly before his death (reprinted in *Foreign Affairs* for November 1928) :

“At one time I was to be numbered with those who held that the horrors of the world war from which we have emerged were such as would destroy for ever the lust of war in the breasts of European nations, but the more I ponder over things, the less am I inclined to take that view to-day. On the contrary, I believe that we have a long way to travel before we reach that goal, and I fear that the way is going to be covered with the bodies of the dead and wet with the tears and blood of millions.

“How long it will take the nations of Europe to arrive at the conclusion that war is too deadly a weapon to be used, I cannot tell you, because I do not know.

“If I thought that it were possible to rouse the public conscience of the world against war, I would devote the remaining hours of my life to working with men of good will of whatsoever nation in order to outlaw this our greatest curse for ever, but I am not subject to delusions.”

The logical completion of this outlook, which is in fact nothing but a completely conscious expression of the impotence of the bourgeoisie before the task of world organisation, is to be found to-day, not merely in the Fascist glorification of war for its own sake as a supposedly natural and eternal law, but still more in the practical working principles of the general staffs at the present day; as revealed in study of current military literature. These principles have recently received their most naked, if insanely lucid, demonstration in Ludendorff's latest book; *Totalitarian War (Der Totale Krieg, Munich, 1935)*. In this work the most brilliant strategist produced by modern imperialism demonstrates that the next war will be war for the extermination of whole peoples, and that therefore the entire activities and every waking moment of every man, woman and child must henceforth be directed and organised in preparation for this. Given the

assumptions, the demonstration is completely logical and lucid, the insanity is only the insanity of the final stage of world imperialism.

Another school, a Liberal school, sees with mournful eyes the present period as a period of the disintegration of civilisation and the return to barbarism, The Liberal publicist, L. S. Woolf, writes (in his Introduction to *The Intelligent Man's Way to Prevent War*) :

“During the war of 1914 to 1918 Europe took a big step on the road back to barbarism, in the years 1923 to 1933 it has taken another and even bigger step... ”

“What we are now witnessing and living through is a rebellion of all that is savage in us, of all the savages in our midst, against civilisation. The war was the first stage in this decline and fall of Western civilisation, and the shock which that war gave to the whole of our society offered an opportunity to the barbarians to carry their work of destruction a stage further. We are at present in the middle of this second stage. The barbarians are already in the ascendancy; they have broken through the frontiers of civilisation and they are now destroying it from within.”

These melancholy speculations have their basis as a reflection of the break up and decay of the existing social order based on class domination (abstractly identified with “civilisation” in general), and of the increasing violence and barbarism accompanying that decay, typically expressed in the anti-cultural crusades of Fascism. Where they fall short, however, as an adequate picture of the world situation to-day lies in the inability to see the new forces that are arising in the midst of the break-up and gaining strength in the battle to solve the problems which the existing ruling class has failed to solve, and carry forward human culture to new heights.

The tendencies to pessimistic speculations on the present period of world history, whether on the part of traditionalist reactionaries, of the open Fascist barbarians, or of despondent Liberals, are widespread at present. They are the appropriate expression of the mood of a dying class. But they are of little practical value for understanding and meeting the problems of the

present situation. The process of history is working itself out, through all the chaos and conflicts. The antagonisms are brought out into the open more sharply than ever before, in order that they may be resolved. The forces that can solve them are arising, are already visibly present and operating in the world situation. It is for all who are concerned for the future of human life and of human values to endeavour to understand the real forces of the world situation and their part in the world historical process. But this requires a revolutionisation of traditional modes of thought and outlook.

The unification of the world, the growing interdependence and interrelation of human activity and development all over the world, are to-day becoming more and more a reality. This is a new chapter in human history. The unification of the world is in the first stage the work of capitalism. Capitalism creates the world market. As capitalism develops to imperialism, it draws the whole world still closer in a network of economic relations, even though these relations are still based on slavery and exploitation. But this unification of the world through capitalism is built on an antagonistic basis. The inner division of competitive anarchy and class subjection, which constitutes the heart of capitalism, is reproduced on a world scale. On the one side, the world unification is based on the subjection of the colonial majority of the human race to the rule of finance-capital. On the other side, world imperialism consists of a series of warring monopolist groups, each seeking domination and expansion at the expense of the rest. Hence, while capitalism has laid the basis for world unity, and while in consequence the conception of world unity has now become possible and widely current in all circles including among many of the leading statesmen and thinkers of the existing ruling class, capitalism by its own inner law is incapable of realising world unity. This the whole present period of world history is demonstrating. In consequence it remains for the new social order which is succeeding capitalism to realise the world unity for which capitalism has laid the basis.

The problem of world politics is the problem of collective world organisation. But the conditions for the solution of this problem require further definition.

2. *World Unity and World Antagonism*

The shrinkage of the world in the most recent period has become a familiar topic. The process which began a century and a half ago with the development of steam power has been enormously accelerated by all the scientific and technical developments of the last two decades.

This is not only a question of transport and communications, whose acceleration, as well as extension by new means throughout the world, has transformed world relations; and will ultimately assist to destroy the basis of regional separatism in the new era in the same way as the development of railways in the nineteenth century assisted the destruction of the old parochialism and the consolidation of the modern centralised States.

It is also a question of the whole scale of production in relation to world resources, world areas and world population. Despite the existence of contrary tendencies of extreme significance, the concentration and organisation of large scale production in the hands of a diminishing number of giant enterprises controlling vastly augmented productive forces has gone enormously forward in the post-war period.

The modern mammoth concerns such as the German Steel Trust (formed in 1926 with a capital of £72 millions), the German Dyestuffs Trust (formed in 1925 with a capital of £40 millions), Imperial Chemical Industries in Britain (formed in 1928 with a capital of £60 millions), Unilever (formed in 1929 and controlling companies with a capital of £200 millions), or Vickers-Armstrong (formed in 1929 and controlling with subsidiaries a capital of £78 millions), as well as such previously existing trusts as the United States Steel Corporation (formed in 1901 with £1,370 millions capital, and in 1925 employing 249,000 workers as against 168,000 in 1902), or the two rival world oil monopolies of America and Britain, have gone forward and to-day far exceed in their total scope and range of their operations and world influence their pre-war prototypes. To-day the twenty or so largest trusts of world imperialism hold a far more preponderant position in world economic life and a far more complete and

all-pervading influence on the policies of their respective States than was the situation even in the highly developed imperialism of before the war.

Further, the State in all the leading capitalist countries in the post-war period has become more and more closely identified with the whole field of economic organisation, actively promoting the organisation of trusts and combinations in every industry, and directly associating itself through legislative forms, statutory control, direct share-holding, subsidies and financial backing, and interlocking directorates, with the trusts thus leading more and more to the type of State capitalism.

These gigantic concerns of modern rationalised industry require ever expanding world areas for their effective functioning. But here they strike against the existing State boundaries, which are in fact only the reflection of rival monopolist groupings. *The consequent ever sharpening and ceaselessly renewed conflict for the redivision of the world, by economic weapons, by State legislative weapons, by diplomatic weapons and finally by armed warfare, which is in essence the reflection of the conflict of the enlarged world productive forces against the existing social and political forms, is the crux of world politics.*

For the growing concentration, and enlargement of the scale, of capitalist organisation is not only a concentration of capital and of companies, but at the same time, through the consequent concentration and large-scale organisation of production, and the consequent enlarged possibility for the utilisation of accelerated scientific and technical development, drives forward to unlimited expansion of production, which in turn constantly breaks against the barriers of the existing social and political forms. It is impossible to measure the gigantic growth of the productive forces in the post-war period, because these very limitations, which received their classic demonstration in the world economic crisis, with the consequent slowing of the whole rate of advance and artificial restriction of production, have meant that the full extent of these

forces has never been used. But some indication can be gathered from the period 1925-1929, the short period of temporary stabilisation, when the process of rationalisation and expansion was proceeding full speed ahead. In those four years German industrial production expanded 25 per cent, United States 15 per cent, French 30 per cent, Belgian 35 per cent, Canadian 40 per cent. The example of the Soviet Union has subsequently shown how overwhelmingly even these figures of expansion could be exceeded, if the fetters of capitalist relations of production were removed. But even this expansion was too much for the capitalist world. The crash followed.

The expansion of world production, even within the capitalist fetters and omitting the Soviet Union from the totals, has far exceeded the growth of world population. Already by 1926, despite all the destruction through the war, world production had increased in 1913 by 18 per cent, as against a growth in world population by 6 per cent (Sir Arthur Salter, *Recovery*, p.23). In the subsequent years, 1925-1929, the expansion was still more rapid. Between 1913 and 1928, while world population increased by 10 per cent, world production of foodstuffs and raw materials increased by 25 per cent and world industrial production by a still greater proportion ("Memorandum on Production and Trade 1923 to 1928-29," League of Nations, 1930, p. 9). It is important to note that this expansion applied not only to industrial production, but to raw materials and foodstuffs. Thus the growth of world wheat production, excluding Russia, advanced from 3,004 million bushels as the average of 1909-1913 to 3,475 millions as the average of 1924-1928, and 3,915 millions in 1928, or an advance of 38 per cent, as against an advance of 9 per cent in world population; it was brought down the following year by artificial restriction to 3,380 millions ("Wheat Studies" of the Food Research Institute of Stanford University, California, January 1930). The world economic crisis was especially symptomatic of the present stage of the world situation in that it was a crisis of simultaneous over-production of foodstuffs, raw materials and industrial goods.

It is thus abundantly clear that there is no *world* "over-population." The plea of "over-population," of the "pressure of rising population on natural resources,"

etc., which is commonly put forward by reactionary and imperialist schools of thought as the natural and God-given cause of the drive to expansion and war, has demonstrably no basis in world facts, that is, in the physical and technical facts of world resources and world production. The alleged "over-population" of particular countries is in the first place relative to the social relations within those countries, and is finally (the second is in reality the reflection and consequence of the first) relative to the existing system of division of the unity of world economy. On a world scale the advance of the productive forces and even of actual production far outstrips the advance of population.

Potentially, then, we have all the conditions present for world abundance and for immeasurable advance for every inhabitant of the globe. For the actual expansion of production bears no relation to the potential expansion which could be achieved, if the existing fetters were removed, if world unity were achieved, if the world schemes which are already in the minds of engineers and scientists could be realised.

But instead, what is the actual picture of the world? We see in the first place antagonistic relations within each country of the imperialist world, and we see these antagonistic relations reproduced on a larger canvas in the world as a whole.

The world as a whole is divided into a series of independent sovereign States, nominally of some sixty to seventy sovereign States, actually, beneath this juridical form, into a handful of great Power groupings with their dependencies and satellites, each maintaining its independence of action and recognising no common law. It is true that there exists a vast body of what is termed "international law"; but this bloodless caricature lacks the first essential foundation of law in capitalist society, the existence of a sovereign power capable of enforcing it, and in reality is no more than a codification of existing practice of minor matters of intercourse between nations, or practices of war, so far as the sovereign participants find it in their interests to maintain these, without validity save by the will of the sovereign participants, and impotent before all major conflicts.

The relationship between these Powers is one of ceaseless conflict, sometimes breaking out into open war, at other times veiled beneath the forms of diplomacy. But as a modern acute observer of political realities has remarked, "Diplomacy is potential war" (R. G. Hawtrey *Economic Aspects of Sovereignty*, 1930, p. 107).

The State frontiers or the frontiers of the power-groupings are essentially closed frontiers, or hedged round with ever more complicated forms of monopolist restrictions, only raising the barbed wire in particular directions in order to make partial alliances against third parties.

The resulting economic picture of the world is one of extreme disorganisation cutting across and thwarting the development of world economy. This disorganisation and its harmful consequences are manifest even to the bourgeoisie, in its superficial aspect of tariffs, import restrictions, quotas, etc, strangling international economic intercourse. But in fact the real world economic disorganisation lies deeper, in the whole conflict of the monopolist relationships, and in the relations between imperialism and the colonial countries, forcing vast territories of the earth with magnificent natural resources of coal, iron, steel and the means of power, into backward agrarian areas at an almost stationary primitive level, and preventing the development of wealth which would raise the level of existence of the whole world.

The life of the overwhelming majority of the world's population is lived at a low and brutish level; with a ceaseless and grinding poverty which is no longer justified by natural causes. While the most highly developed apparatus of large-scale production is maintained in the imperialist centres (in a considerable proportion, idle), the majority of the world's population is compelled to live at a primitive level of small-scale production with little and poor equipment, at the same time as the modern plant for the production of machinery cannot find scope for its potential output, and with the death of millions every year from starvation and under-nourishment, at the same time as the means of life are being destroyed.

Over all hangs the continual menace of war, ceaselessly breaking out in one quarter or another of the world,

absorbing the energies and the surplus of the most highly developed countries in the destructive work of its preparation, and threatening to develop into renewed world war in the near future.

What is the reason for this situation of the world? What must be done to change it? This problem beats at the heads of our generation. In fact this problem of world disorganisation is only one aspect and expression of the deeper problem of social relationships of the basic contradictions of class-society. But this contradiction of world disorganisation is so manifest and glaring that it strikes at the imagination of all even more sharply than the inner social and political problems, and compels all to recognise the necessity of some solution.

It is easy to denounce the existing state forms and political divisions, and to proclaim the necessity of a "world State." This approach remains abstract, Utopian and valueless (and even potentially harmful and in the final resort an assistance to world imperialism) if it does not attempt to grapple with the real conditions of the problem, to understand the reasons for the existing situation, the real forces which maintain the existing system in the face of the obvious interests of the human race as a whole, and the consequent indispensable conditions for realising the task of world organisation.

For the existing State divisions, disorganisation and antagonisms cannot be regarded as an obsolete survival from the pre-imperialist era, to be ultimately lopped off by the "enlightenment" of the modern imperialist world. On the contrary, in the era of industrial capitalism the intensity of these divisions appeared as diminishing, and on this ground arose the illusory hopes of a universal international free trade era of peace and prosperity through capitalism which found wide expression in the middle nineteenth century. But in our period, the period of imperialism, the intensity of these divisions and antagonisms, the height of the economic barbed-wire fences on the frontiers, the growth of tendencies to isolationism and the formation of closed-in *blocs*, and the scale of wars and armaments expenditure, have enormously increased and are increasing.

It is therefore abundantly evident that we are dealing here, not with vanishing survivals of a previous era, but with the real governing forces of the present still dominant world order of our period, with the forces of imperialism. If this reality is not faced, the approach to a world outlook can only remain in the realm of abstract fantasy. We must grapple with and conquer the forces of imperialism, if they are not to destroy us. This is the truth which confronts our generation. We must grapple with and conquer the forces of imperialism if we are to approach the tasks of world organisation.

3. The General Crisis of World Imperialism.

At the outset, in order to approach these questions, we need to define more closely the essential characteristics of the present epoch.

It is only a relatively short space of time of three and a half decades since the era of fully constituted imperialism opened at the beginning of the twentieth century with the more or less complete division of the available territories of the earth between a handful of leading Powers, representing highly concentrated finance-capitalist groupings.

From the outset the era of imperialism was revealed as highly unstable and in marked contrast to the relative solidity of the previous era of industrial capitalism. A chain of wars, through the British war in South Africa, the inter-imperialist occupation of Peking, the Russo-Japanese war, the Italian war in Tripoli, and the two Balkan wars, as well as of sharp international clashes, notably in 1905, in 1908 and in 1911, and of an intense armaments race on a scale never before approached, marked its course to the culminating conflagration of 1914.

What underlay this extreme instability and sharpening conflict of the imperialist era, which to-day, so far from being solved by the blood-letting of 1914, has advanced to an even more accentuated stage? The cause is to be found in the uneven development of capitalism, which is carried to a very much higher stage in the period of imperialism.

The enormously enlarged productive powers of the great trust groupings, and the rising capital accumulations seeking outlet, imperiously demand continuous expansion and monopolist domination of the maximum area as the condition of their successful functioning. During the last quarter of the nineteenth century this process led to the rapid acquisition of the remaining easily seizable territories of the earth, as shown in the African scramble; between 1876 and 1900 the proportion of African territory held by the European Powers expanded from one-tenth to nineteenthths.¹ But with the completion of this first scramble and division of the world, and with the absence of any more "unoccupied territories" to seize (i. e. occupied only by undeveloped populations without effective arms to defend themselves), the struggle inevitably advances to a new stage is characterised by the competitive conflict of the imperialist Powers over the already divided world, for the conquest or penetration of territories under already recognised sovereignty, for the partition of China, for the partition of the Turkish Empire, for the economic penetration of South America (direct political conquest being excluded by the United States domination expressed in the Monroe Doctrine), and for the reconquest or penetration of one another's colonies. *This is the conflict for the re-division of the world which is the characteristic conflict of imperialism.* For the development of the various finance-capitalist groupings and industrial Powers take place at uneven rates, according to the historical conditions and stage in each case, and does not correspond at any moment to the existing division of the world, reflecting the consequences of a previous stage of development. Hence arises sharpening economic conflict against the barriers of monopolist control, culminating in the endeavour to batter through the barriers by military force. This is the central dynamic of imperialism and of imperialist war.

¹ "As regards aggression the years 1870-98 are only equalled by the age of Chonghis Khan. Between 1870 and 1900 Great Britain acquired 4,754,000 square miles of territory, adding to her population 38,000,000 people, between 1884 and 1900 France acquired 3,583, 580 square miles and 36,553,00 people, and in these same years Germany, a bad last, gained 1,026,229 square miles and 16,687,100 people."—MAJOR GENERAL J.F. C.FULLER, *War and Western Civilisation*, 1932, p. 134

The dynamic, expanding forces of capitalism in the pre-1914 period were represented above all by Germany, and the forces in possession by the British Empire. Germany and Italy had alike come late to the colonial scramble. The British Empire had been in the forefront in adding to its already enormous possession; France and Tsarist Russia had also secured very considerable spoils. But the young German capitalism was expanding far more rapidly than any other in Europe, and was already by the latter part of the nineteenth century overtaking and outstripping British capitalism in the decisive domain of heavy industry, and in technical organisation and efficiency. By the twentieth century the economic challenge passed into the naval challenge and the open colonial demand. The British Empire gathered its forces to smash the rising and challenging rival. Around this central Anglo-German antagonism gathered all the manifold economic, political, national and racial conflicts of the period. The British Empire found its allies in the other Powers in possession, France and Tsarist Russia. Germany could only find its allies in the other dissatisfied Power, Italy (which was, however, ready to be bought off by a mercenary offer from the other side), in the threatened Austro-Hungarian Empire and in the equally threatened Turkish Empire.

: Many efforts were made to avert the visibly impending conflict. Echoes of the cries of the present day can be found in those critical years before 1914. There was talk of the effeteness and decline of the British Empire, which nevertheless showed itself well able to spin a diplomatic web in defence of its interests and to strike a ruthless blow in the moment of crisis. There was talk of the necessity to meet the colonial demands of the rising dissatisfied Powers. Attempts were made to devise international diplomatic machinery through the Hague Conferences for the averting of war. Negotiations were pursued for armaments holidays alongside the rising armaments race which was deplored by the statesmen of all sides. Attempts were made to preach to the capitalists that war was not in their interests, and that a peaceful joint exploitation of the earth would be far more in their true interests. Negotiations were entered into by the statesmen of England and Germany

for an attempted harmonious solution of the colonial problem, for the transfer of Portuguese colonies, for an Anglo-German colonial agreement in the Middle East. All these efforts to find a peaceful solution within the conditions of imperialism proved unavailing to prevent the final armed conflict, which already came close to breaking out in 1905 and again in 1911, and finally broke out in 1914.

The war of imperialism proved more deadly than any previous war in history. For the first time the entire populations and economy of States were drawn into the highly organised war machine. The total number of deaths, military and civilian, caused by the first world war of imperialism ran into tens of millions (41,435,003, according to the carefully worked out estimate of the Inter-Parliamentary Union of Enquiry in 1931, or roughly one in forty of the population of the earth). Far-reaching social and political convulsions followed, resulting in the collapse of the empires in Eastern and Central Europe. The most important of these consequences of the war was the Russian Revolution, which led to the victory of the new socialist Soviet regime over one-sixth of the earth and its withdrawal from the sphere of imperialism.

The revolutionary wave which closed and followed the war spread in varying degree over the whole of the world, but finally conquered only in Russia. In the rest of the world the rule of capitalism was maintained or restored, although no longer with the old stability. The first breach in the world order of capitalism had been made; henceforth socialism had a world base, which maintained itself against all assaults. In the other countries also the new issues arising from the general crisis of capitalism and the opening of the world revolution underlay the older political forms, and ever and again came to the surface. The collapse of the attempts at restoration and stabilisation of capitalism after the pre-war model was revealed in the world economic crisis which developed eleven years after the war and led to intensified social and political conflicts. In a growing series of countries, of which the most important were

Italy and later Germany, recourse was had to extraordinary measures of Fascist dictatorship to maintain the existing system of class rule.

In the sphere of imperialist relations the war brought no solution. Victory had fallen to the superior resources of the Powers already in possession, and not to the rising forces. The victor Powers used their victory to add to their already extensive possessions, and to endeavour to cripple and strike down permanently their challenging rivals. In consequence the disproportion was enormously increased, while the attempt to hold down permanently the rising forces failed. The treaties of spoliation which followed the war laid the seeds of future war. At the same time new conflicts in the extra-European sphere came to the forefront. In consequence, within two decades of the war of 1914 the issue of the re-division of the world had arisen in still sharper form.

Thus we come to the characteristic features of the present period.

First, the issue of the new division of the world is now definitely in the forefront, alike in respect of colonial territories, of the revision of frontiers in Europe, and of the distribution of power between the main States; war has already begun, not yet on a world scale, but on a regional scale, involving world issues; while the general tension and approach to war exceed 1914.

Second, in the economic sphere, the world economic crisis, after continuing with an extent and duration without parallel, has slowly given place to a peculiar new situation, no longer of the normal return to prosperity and a renewed boom at a higher level of production and trade than the preceding, but of extreme instability and inequality of conditions, both nationally and internationally, of partial and incomplete recovery at a low level and accompanied by continuing mass unemployment, of low and restricted international trade, of continuing currency instability, of intensified economic warfare, and—a sinister and notable feature of the

present phase—of the relatively increased importance of the armaments industries and of preparation for war. All this holds out no prospect of a harmonious solution, but reveals ever more sharply the bankruptcy of the existing economic order and the increasing conflict of the productive forces against the fetter of existing capitalist class-ownership.

Third, in the inner political sphere, the whole structure of existing State forms is thrown in question by the sharpening battle between Fascism and the popular forces fighting for the defence of democratic rights and for the advance to socialist forms—this constituting the typical expression of the present stage of struggle between the existing capitalist rule and the socialist revolution.

Fourth, the division of the world between the capitalist domination over five-sixth of its surface, and socialism over one-sixth, has now reached an extreme point of contrast, with the relative retrogression of capitalist production and headlong advance of socialist production, raising sharp questions of the capitalist and socialist world.

Fifth, the International Labour Movement has reached a turning of the ways; the old reformist illusions have received a shattering blow by the experience of the world economic crisis and of Fascism; a strong impetus has developed to unity in the common struggle against Fascism and reaction; but the further path of that struggle is still unclear, and the whole question of the path to socialism is now raised in its most critical form for the workers in Western Europe and America.

Sixth, the colonial peoples are in movement, alike in Asia and in Africa; the Chinese struggle for national unity and liberation against the policies of partition goes forward; the Indian struggle for liberation is gathering force; the Middle East is ferment; Abyssinia fights the foreign invader; all Africa is stirring. This not only opens out a new perspective for the colonial and semi-colonial peoples, constituting the majority of the human race, to advance from the passive to the active

instruments of history; but this in its turn reacts upon and undermines the basis of imperialism in the remaining countries and the consequent socio-political structure built upon that basis.

These are only some of the issues that are to-day clamouring for solution. It is necessary to see them in their relations and development as parts of a single world process. For it is only in this light, on the basis of such a many-sided understanding of all the forces of our epoch, that we shall be able to approach and master the central problems of world politics.

CHAPTER III

The Balance Sheet of Two Decades

"I believe that men are beginning to see, not perhaps the golden age, but an age which at any rate is brightening from decade to decade, and will lead us some time to an elevation from which we can see the things for which the heart of mankind is longing"

PRESIDENT WILSON, speech at Manchester,
December 31st, 1918.

"Seventeen years of conflict, interrupted only by brief and incomplete truces, has reduced almost the whole of the Continent to a state of economic ruin and social disorganisation which has no parallel since the Thirty Years War."

FRANK A. SIMONDS, "Can Europe Keep the Peace?" 1931

The first fact to recognise about the eighteen years since the Armistice is that none of the world problems set by history since 1914 has been solved, most have been intensified, and many new ones have been added, while the greater part of the "settlements" which followed the war have either already broken down or are in process of breaking down.

1. The Outcome of the War

The war of 1914 was inevitable in the sense that imperialism could find no other solution for its conflicts. The inescapable driving force of growing capitalist concentration and accumulation, and the consequent dynamic of the continual hunt for new profits on the part of the antagonistic groupings, compelled it. There could be no peaceful solution, that is to say, no equal division of the spoils, because of the inequality of capitalism and the unequal rate of capitalist development. German iron and steel production was advancing, British declining; Britain held the majority of colonial possessions; Germany with a more rapidly developing capitalism was late in the field. In these

conditions, a hundredfold multiplied for all the complexities of the different fields of capitalism and the different Powers, there could be no permanent ratio. Each section had to fight for itself. Each statesman and diplomatist had to fight for his own group or lose his position; each captain of an industrial combine had to fight for the profits of his own shareholders or lose his; each editor of a newspaper had to fight for the interests of his own Power grouping or lose his. No statesman or capitalist can think for capitalism as a whole, save for the immediate fight against the revolution (and even there with heavy limitations and internal conflicts continually breaking the front); if they could, they would cease to be capitalists. Not the particular ambition or intrigue of this or that individual or group (the majority of whom probably did not directly will the war in the form or at the moment it broke out, but only willed the particular advantages to their side which made it inevitable), but the inexorable collective outcome of their individual wills, which in the aggregate only reflected the existing social forces of capitalism that they did not themselves understand—this was the real “origin of the war” (about which rival professors and publicists in the service of one or another group so long consumed reams of paper with profitless discussions in terms of this or that diplomatic document to establish points favourable or unfavourable to this or that individual or group),

The outbreak of the war of 1914 revealed that the world forces unloosed by imperialism had fully outstripped the control of the statesmen of imperialism. All the calculations of the rival statesmen and general staffs were defeated by the event, and the war was rapidly revealed as an independent force which had passed beyond all possibility of control. The statesmen on either side had calculated on a short war and a speedy settlement, which, with whatever gains to be registered for either side, would not impair the foundations of imperialism. The German Chancellor, Bethmann-Hollweg, had declared at the outset of the war (quoted in Admiral Sir Herbert Richmond's *Sea Power in the Modern World*, p. 251):

“It will be a violent storm, but very short. I

count on a war of three or at most four months, and I have organised all my policy on that assumption."

Sir Edward Grey had already declared in 1906 (letter to Sir Francis Bertie, January 15th, 1906, *British Documents on the Origin of the War*, Volume III), that in the event of a Franco-German conflict Britain would fight on the side of France, and that in that case.

"We should risk little or nothing on land, and at sea we might shut the German fleet up in Kiel and keep it there without losing a ship or a man or even firing a shot."

With this may be compared the famous miscalculation of his speech on August 3rd, 1914, in the House of Commons :

"With our trade intact, and our commerce secure, we should be very little worse off in the war than out of it."

All these calculations were smashed by the realities. The war, once begun, drove forward with its own murderous logic, and drew all the statesmen of imperialism in its train. Imperialism, which could find no solution for its problems of peace save war, could in turn find no solution of the problem of the war. As the war, after the first rapid movements, settled down into a stalemate of positions and dragged on in an ever-prolonged destructive deadlock or struggle of attrition, the elder statesmen of imperialism on both sides, anxiously foreseeing the prospect of a collapse of the existing social order, sought to find a way out by patching up a hasty *status quo* settlement. This outlook was expressed in the letter of the veteran Lord Lansdowne in November 1916 (not published till a year later), arguing that the war's "prolongation will spell ruin for the civilised world," and that it must "be brought to a close in time to avert a worldwide catastrophe"; in the Emperor Karl's similar declaration in the same month; in the signs of readiness of the Asquith Cabinet to negotiate in December 1916, which led to its replacement by Lloyd George; in the German Peace

Note of the same month; in the President Wilson Peace Note a week later; in the Wilson "Peace Without Victory" speech of January 1917 ("it must be a peace without victory; victory would mean peace forced upon the loser; it would be accepted in humiliation, under duress, and would leave a sting, a resentment, a bitter memory upon which terms of peace would rest not permanently but only as upon quicksand"), and in the Austrian peace negotiations of the spring of 1917 with the accompanying Count Czernin memorandum ("the basis of my argument is the danger of revolution").

But the forces let loose by the war could not be so easily chained anew in the interests of the preservation of the old order. Every imperialism was staking its all upon victory. The voices of prudence of the more experienced and farsseeing leaders of imperialism were stifled. This was no eighteenth-century "Cabinet war" to be conducted by rule and to end in an intrigue. It was a jungle-fight for survival between the tiger States of modern imperialism. The policy of the Knock-Out Blow correctly expressed the governing forces of the imperialist epoch. Lloyd George conquered in Britain, Clemenceau conquered in France, Ludendorff, von Tirpitz and the line of unrestricted submarine warfare conquered in Germany. Imperialism added another link to the chain of its doom.

The Gordian knot of the war, which imperialism was unable to loose, was finally cut by the sword of the revolution. The world war ended, as it could only end, as international socialism had prophesied from the outset that it would end, in revolution. The uprising of the masses against the bloody and useless slaughter to which they were being sent by their masters in the name of the divine right of profits cut short the war machine at the moment in which it was rising to its highest tempo in preparation for the campaigns of 1919, already elaborately planned by the staffs on both sides. The Russian Revolution ended the war in the East. The German Revolution ended the war in the West.

The numerical and material superiority of the Allies through the accession of America, which finally secured them the victory, was itself the reflection of the revolution. It was the Russian Revolution of March 1917, with the consequent inevitable prospect of Russian withdrawal from the war and menace of Allied collapse, which was the decisive motive cause behind the American entry into the war, within four weeks of the Russian Revolution, to safeguard its interests already heavily mortgaged on the side of the Allies. In March 1917 were despatched the urgent cables of Ambassador Page to Wilson on the immediate necessity of American military intervention as the only way to save the gigantic economic and financial stake placed by the American profiteers on the side of the Allies; and there followed the sudden reversal of policy by Wilson, in complete contradiction to his "peace without victory" line of a few months previously, and declaration of war in April 1917. This tipping of the balance on the side of the Allies in turn hastened the military debacle in Germany and the consequent acceleration of the German Revolution.

From this point, with the beginning of the world revolution and the breaking of the imperialist chain at its weakest link in Russia, and with the extension of the revolution to Central Europe, already undermined by four years of war and blockade, and of revolutionary struggles in varying degrees to the majority of countries, the whole world situation was transformed. The issue of the world revolution began increasingly to overshadow the old issues of the war, and to dominate the minds of statesmen. The imperialist war dissolved into counter-revolutionary wars, interventionist wars and civil war.

From this point the history of the world passes into two halves—the history of the capitalist world and of the socialist world.

2. The Unstable Equilibrium of Revolution and Counter-Revolution.

What was to follow the ruinous experience of the world war, the first great warning of the bankruptcy of the existing order?

At the close of the war, in 1918-1919, a great choice confronted mankind, and especially the peoples of Europe. It is necessary to delay a little on this choice; because here is the great watershed, the dividing point, whose consequences have gone to make the modern world and the problems we have to meet to-day.

Either the peoples of the leading countries could go forward along the path of the world socialist revolution, through the overthrow of capitalist rule which had brought the world to ruin and now lay shaken and open to assault, and on the basis of the working-class conquest of power or dictatorship of the proletariat, in alliance with the peasantry and lower middle class, rapidly build up the new socialist order in unity and peace, healing the wounds of the war and opening a new historical epoch of limitless material and cultural advance.

Or they could hark back to the attempted restoration of the pre-war order, listen once again to the voice of imperialism—which now in the moment of danger, through the honeyed accents of a Wilson, was all penitence for the past and full of golden “democratic” and even “socialistic” promises for the future—and return to subjection to capitalist rule, with the consequences of renewed imperialist conflicts, a victor peace, intensified exploitation and the renewal of the drive to war and to reaction.

Wilson or Lenin—in this form the issue was widely presented at that time. Wilson represented the path of bourgeois democratic reform, while maintaining the essence of imperialism and the class-ownership of the means of production; the proclamation of the aim of national self-determination, while maintaining colonial subjection and in fact also in Europe subordinating national considerations to strategic imperialist aims; and the proclamation of the aim of world peace, while in fact leaving the sovereignty of the rival imperialist Powers intact in a loose association or League of Nations. The inner contradictions of these aims were rapidly demonstrated in the outcome at Versailles and after, in the impotence of Wilson in the toils of European diplomacy and his repudiation by the United States, and his final bitter disillusionment before his death. It is difficult

for many to realise today how the name of Wilson for a short spell at that critical turning-point of history was on the lips of men like the name of a new Christ, representing the supposed alternative of peace and progress and a new world order to the supposed terrors of Bolshevism, so rapidly did he sink from this apotheosis to the pity and indifference of the world.¹

The path of Lenin was the path of the people's mass revolution against imperialism, of the dictatorship of the proletariat in the imperialist countries and of the democratic dictatorship of the workers and peasantry in the colonial and backward countries, of the liberation of the colonial peoples, of the collective organisation of societies. These aims corresponded to the objective needs of the situation, but the subjective forces were not yet ready on a world scale. Nevertheless, Lenin was able before his death to see the full consolidation of the victory of these principles over a considerable part of the earth, to state with truth that all the conditions had been achieved for the rapid building of socialism in the Soviet Union, and to look forward with complete confidence to the ultimate victory of world communism, growing stronger through all temporary setbacks.

The issue of these two paths was the issue of the post-war epoch, and in fact, through successive forms, remains with us to-day. History so turned out that these two paths were both demonstrated and tried out on a far-reaching scale in the post-war world. In Eastern Europe and the Asiatic territories of the Soviet Union one hundred and sixty millions ventured forward, through struggle and sacrifice, along the socialist path to the present victory of socialism. In the remainder

1 As a self-epitaph on his life's work may be recalled one of Wilson's latest political utterances in a letter to James Kerney on December 7th, 1923: "I should like to see Germany clean up France, and I should like to see Jussierand and tell him so to his face" (quoted in H. E. Barnes's *World Politics in Modern Civilisation*, p. 363). These are the harsh and helpless words of a dying man, who was seeing all his ideals trampled underfoot, yet could see no way out in the entanglements in which an obsolete political outlook had caught him, and remained to the last a prisoner of the contradictions of imperialism, whose presuppositions he had not learnt to question and to fight.

of the world the masses were not yet ready and strong enough, had not yet developed the leadership and organisation and clearness of aims for successful revolutionary struggle, and remained under capitalist domination.

The outcome of these two paths can now be analysed in the present world situation. A well-known writer once said that the most important happening in nineteenth-century England was the revolution that did not happen. In a more far-reaching sense it may be said that the most important fact of post-war Central and Western Europe and beyond is the socialist revolution that did not happen, or rather, the high revolutionary struggles that for the time ended in defeat. This issue lies behind all the subsequent crucifixion of Versailles, of the world economic crisis, of mass unemployment and suffering, of declining standards of life and rising armaments, of the madhouse of Fascism.

The issue of the revolution was not averted. It returns to-day with added force in a world under the shadow of reaction and war. But the path that has had to be trodden to reach it has proved a more painful path, a longer and more complicated path of hard and bitter experience through trial and error, since the loss of the opportunities of a decade and a half ago which were sacrificed to illusions whose falsity has since been proved.

From the outset the dominant concentration of all the leading statesmen of imperialism after the war was directed to the defeating of the revolution. This issue overshadowed the Paris Peace Conference. The clearest and most conscious expression of this outlook was given by Lloyd George in his Memorandum to the Peace Conference in March 1919. He stated :

"The whole of Europe is filled with the spirit of revolution. There is a deep sense not only of discontent, but of anger and revolt, amongst the workmen against pre-war conditions. The whole existing order in its political, social and economic aspects is questioned by the masses of the population from one end of Europe to the other. There is a danger that we may throw the

masses of the population throughout Europe into the arms of the extremists....

"The greatest danger that I see in the present situation is that Germany may throw in her lot with Bolshevism and place her resources, her brains, her vast organising power at the disposal of the revolutionary fanatics whose dream it is to conquer the world for Bolshevism by force of arms [*sic*]. This danger is no mere chimera. The present Government in Germany is weak; it has no prestige; its authority is challenged; it lingers merely because there is no alternative but the Spartacists, and Germany is not ready for spartacism, as yet. But the argument which the Spartacists are using with great effect at this very time is that they alone can save Germany from the intolerable conditions which have been bequeathed her by the war. They offer to free the German people from indebtedness to the Allies and indebtedness to their own richer classes. They offer them complete control of their own affairs and the prospect of a new heaven and earth. It is true that the price will be heavy. There will be two or three years of anarchy, perhaps of bloodshed, but at the end the land will remain, the people will remain, the greater part of the houses and the factories will remain, and the railways and the roads will remain, and Germany, having thrown off her burdens, will be able to make fresh start.

"If Germany goes over to the Spartacists it is inevitable that she should throw in her lot with the Russian Bolsheviks. Once that happens all Eastern Europe will be swept into the orbit of the Bolshevik revolution....

"Bolshevik imperialism [*sic*] does not merely menace the States on Russia's borders. It threatens the whole of Asia and is as near to America as it is to France. It is idle to think that the Peace Conference can separate, however sound a peace it may have arranged with Germany, if it leaves Russia as it is to-day."

(Memorandum of Lloyd George to the Peace Conference, March 25th, 1919, published in 1922, Cmd. 1614)

A similar consciousness of the fight against Bolshevism as the decisive task of the Peace Conference was expressed by President Wilson during his journey to France on board the *George Washington*, according to the report of his secretary, STANNARD BAKER :

"This poison of Bolshevism was accepted because it is a protest against the way in which the world has worked. It was to be our business at the Peace Conference to fight for a new order."

(R. STANNARD BAKER, *Wilson and World Settlement*, 1923)

In the same way Hoover, in charge of American relief in Europe, expressed concisely the aim in a letter in 1921 :

"The whole of American policy during the liquidation of the Armistice was to contribute everything it could to prevent Europe from going Bolshevik or being overrun by their armies."

(Herbert Hoover, letter to O. Garrison Villard, August 17th, 1921, quoted in Louis Fischer, *The Soviets in World Affairs*, Vol. 1, p. 174)

The efforts of the imperialist counter-revolution were directed to overthrow Bolshevism in Russia and prevent its spread in other countries. For this purpose the chain of newly created States in Eastern Europe together with the enlarged Rumanian State, were given the task to form a "cordon sanitaire" against Bolshevism from the Baltic to the Black Sea. Every type of counter-revolutionary army of the old White reactionary elements was subsidised, armed and equipped by Western imperialism to raise the banner of civil war against the soviet regime. British, French American and Japanese armed forces invaded Soviet territory on every side. Terrorism, assassination, sabotage and forgery were organised from the highest quarters in London and Paris. Poland was egged on, with French military instructors and British munitions, to invade Russia, although its aggression turned out unfavourably for itself when the Red Army reached

the gates of Warsaw. A war on twenty-three fronts with all the resources of imperialism was let loose against the new Soviet State.

Nevertheless, all these efforts of imperialism to overthrow the Soviet regime by every means in its power ended in complete failure. The history of the Paris Commune was not repeated. The overwhelming material superiority of the imperialist and counter-revolutionary forces did not result in victory. Why? First, because of the unbreakable resistance of the Russian workers and peasants, who knew for what they fought, who had complete confidence in their leadership, who were fighting for the possession of their own land, to be masters of their lives, against the exploiters, landlords, reactionary officers and therefore fought with a superhuman energy, tenacity and resource unequalled even in the records of revolutionary war. Second, because all the forces of the international revolution, of the international working class were united with them in the common struggle. Revolt after revolt in the invading armies as well as in the forces at home, strikes and unrest in the imperialist countries, refusals of the dockers and transport workers to handle munitions and supplies for the counter-revolutionary armies, paralysed the action of imperialism. The British Chief of Staff, Sir Henry Wilson, had to report to the Cabinet in January 1919 that "even now we dare not give an unpopular order to the troops, and discipline was a thing of the past" (quoted Fischer, *op. cit.*, p. 163), and again, that the only policy was to "get our" troops out of Europe and Russia, and concentrate all our strength in *our* coming storm centres, England, Ireland, Egypt, India" (*ibid.*, p. 180). The plans of Foch, Ludendorff and Churchill for the large-scale combined invasion of Russia broke down, not because of lack of will of the Governments, but because they had not the forces to carry them out. The revolutionary wave in the other countries was not high enough to overthrow imperialism, but it was high enough to prevent the success of the interventionist armies against the nucleus of the world revolution. The victory of Soviet Russia

against the superior forces of imperialism was in every sense a victory of the international revolution, of decisive significance for the whole future.

On the other hand, in the other countries imperialism was finally successful in crushing the revolutionary uprisings. In Finland the Whites, unable to overthrow the workers' rule by their own strength, had already in the earlier part of 1918 called in the invading German armies to overthrow the workers' rule and set up the White Terror under Mannerheim; and here, as in the Baltic States, the Entente took over after the Armistice from their German class-allies the task of maintaining the counter-revolution. Against the Soviet regime in Hungary, which maintained power for three months and carried out far-reaching reforms in that period, the Entente not only employed the weapon of economic blockade, but sent the invading Rumanian armies to overthrow it, to pillage and destroy, and finally hand over to the White dictatorship of Horthy. Against Germany during the critical period of the revolution the Entente continued the weapon of the blockade; causing three-quarters of a million deaths by starvation after the Armistice. The power of the workers' and soldiers' councils, which had carried through the revolution, was undermined by the Social-Democratic leadership, who armed the monarchist officers and reactionary officers against them; these shot the revolutionary leaders. Liebknecht and Rosa Luxemburg, while prisoners, and drowned the revolution in blood. On this basis was established the Weimar Republic of nominal "democracy," with a wide show of concessions of social reforms to the workers in the early stages, but actually representing only the facade behind which was being built up the armed power of the reactionary forces against the workers; until these reactionary forces in the fulness of time finally overthrew the democratic forms and the Social-Democratic puppets and established open Fascism. In Austria the same history was gone through stage by stage, the power of the workers and soldiers, who had made the revolution, was undermined from within by the Social-Democratic leadership, through the stages of bourgeois democracy and social reform, to the final outcome in Fascism. In Britain, France and the United

States the method of social and economic concessions to the workers was employed, while the Labour leadership sought by every means to hold in the revolutionary forces during the critical period 1919-1921, the concessions then rapidly gave place to the capitalist economic offensive.

What underlay the defeat of the revolution in Central and Western Europe after the war ? The rulers of Western imperialism were convinced that their economic weapon in the conditions of post-war chaos, the power of withholding or granting food supplies and necessities of life according to the character of the regime in each country, was the decisive weapon. Thus the British Director of Relief in Central Europe, Sir William Goode, wrote on "European Reconstruction" in 1925, quoting from his official report of 1920 :

"Food was practically the only basis on which the Governments of the hastily created States could be maintained on power. Half of Europe had hovered on the brink of Bolshevism. If it had not been for £137 million in relief credits granted to Central and Eastern Europe between 1919 and 1921, it would have been impossible to provide food and coal and the sea and land transport for them. Without food and coal and transport, Austria and probably several other countries would have gone the way of Russia.. Two and a half years after the Armistice the back of Bolshevism in Central Europe had been broken, largely by relief credits....The expenditure of £137 million was probably one of the best international investments from a financial and political point of view ever recorded in history."

(Sir WILLIAM GOODE, *The Times*, October 14th, 1925)

The economic weapon, however, was not alone the decisive weapon, nor yet the military weapon, as instanced in the Rumanian army invasion of Soviet Hungary. A revolutionary union of Central and Eastern Europe with Soviet Russia could have withstood these weapons, and indeed, as the memorandum of Lloyd George already quoted illustrates, this was the menace which the Western rulers most feared. The

decisive weakness was an inner weakness. The Labour and Socialist movements in Europe west of Russia had grown up in the conditions of highly developed imperialism, and in their upper strata had become permeated with the influence of imperialism, which was able to offer, on the basis of the super-profits of colonial exploitation, privileged conditions to the upper sections of the working class, and especially to the Labour bureaucracy, separating them off from the mass of the workers and from the rest of the world proletariat. Hence arose the split in the working class in Western Europe and America, and the permeation of the apparatus of the Labour movement by opportunism, which was already evident before the war. The year 1914 brought this to a head with the open passing over of the main body of the Labour and Socialist leadership to the side of their rival imperialist masters and the collapse of the Second International. In consequence, when the process of the war brought the working masses and soldiers into revolutionary movement, the main body of the apparatus of the Labour and Socialist movements who held control of the organisation and were looked to by the main body of the workers as their leadership against capitalism, in fact operated as a counter-revolutionary force in the interests of capitalism, doing everything in their power to suppress the revolutionary movement and to assist the restoration of capitalist order. For this purpose they were ready, where necessary, as in Germany, to use the most violent means, including the arming of the most reactionary forces to shoot down the militant workers—thus in fact preparing the conditions for their own ultimate downfall. This was the role of the Social-Democratic leadership, in varying forms according to the conditions in each country, of Ebert, Scheidemann or Noske in Germany, of Renner or Bauer in Austria, of Renandel or Albert Thomas in France, of MacDonald, Henderson or J. H. Thomas in England. This role was the decisive role in the defeating of the revolution in Central and Western Europe.

The post-war revolutionary wave reached its height in 1920 (with the Red Army at the gates of Warsaw, with the defeat of the Kapp putsch in Germany and the short-lived rule of the workers' councils in Ruhr, and with the Councils of Action). In 1921, while Soviet

Russia was completing the wiping out of the counter-revolutionary forces, came the defeat of the March offensive in Germany and the betrayal of "Black Friday" in Britain. The subsequent French invasion of the Ruhr brought once again the height of a revolutionary situation in Germany in 1923. Stresemann spoke of his Grand Coalition as the "last parliamentary Government" in Germany. The fears of the Western statesmen were still intense in 1923, as contemporary expression reveals. Baldwin, in an interview to the *New York Herald*, declared (*Manchester Guardian*, January 8th, 1923):

"The world is sitting on an anxious seat; for there is danger of revolution in France as well as in Germany."

Smuts stated (*Manchester Guardian*, October 24th, 1923):

"The economic and industrial structure of Europe is cracking in all directions."

The Times in an editorial (November 24th, 1923) spoke of:

"a world that has broken loose from all accepted standards, a world that is rushing at unprecedented speed into the unknown."

This final stage of the post-war revolutionary wave in 1923 was eventually overcome with the aid of the still powerful and unshaken American capitalism, which granted liberal credits to Europe, creating the conditions for the short-lived period of stabilisation, and thereby laying the basis for the future world economic crisis which was also to engulf America.

With the conclusion of the post-war revolutionary wave we thus enter into a period of unstable equilibrium of revolution and counter-revolution throughout the world. On the one hand, the revolution had conquered in Eastern Europe and the Asiatic territories of Soviet Russia (from the end of 1922, the Soviet Union). On the other hand, the revolution had been defeated in Central and Western Europe. The capitalist and socialist worlds had to live together in an uneasy truce. In the succeeding years each was to show its inner forces of development to the outcome to-day.

The deep-seated revolutionary unrest and intense class-struggles of the post-war period did not come to an end with the close of the revolutionary wave in the years after the war, but continued in an unbroken chain, coming to the surface now in one country and now in another, up to the present day. The revolutionary situation in Germany in 1923, with the armed suppression of the Workers' Governments in Saxony and Thuringia, was followed by the Estonian uprising in 1924, the colonial struggles in Syria and Morocco in 1925, the advance of the Chinese Revolution through 1925-1927, the British General Strike of 1926, the Vienna rising of 1927, the sharpening German situation of partial civil war through 1929-1933, the Indian mass struggle of 1930-1934, the Spanish Revolution from 1931, the February days in France in 1934, the armed fighting in Austria and in the Asturias in 1934, and the new stage of the Spanish Revolution today.

Thus the "breathing-space" between two cycles of wars and revolutions was no period of quiescence. Today all the evidence indicates that we are entering into a new stage of large-scale revolutionary struggles.

3. *The New Power-Relations After the War*

The war brought to an extreme point the uneven division of the world. Not only the completely new type of division, unknown to pre-war history, between the area of the socialist revolution and the area of the capitalist counter-revolution became a permanent geographical feature of the post-war world; but an extreme differentiation developed within the capitalist world. The war, which had resulted from the inequality of capitalist development, so far from solving that inequality, brought to a still higher and more extreme stage the uneven division of the capitalist world. The ruling classes might win a temporary victory over the revolt of the working masses and of the subject peoples outside Russia; but defeat was concealed within their victory; for their victory only brought out more sharply their own inner division and its disintegrating effects.

Before the war the stage had been reached, with the increasing concentration of capitalist development, that

six great Powers of the old capitalist world (Europe) dominated between them almost the whole of Asia, Africa and Australia, while two new Powers outside, Japan and the United States, were rising very rapidly but had not yet entered fully into the arena of world politics. The war of 1914 was a war of the six Powers—a war to extinction. The new Powers only entered into it to an incomplete extent in order to extract the maximum advantage from it to win a commanding position for themselves.

What was the position after the war? The former six Powers had been cut down for the time being by the destruction of three. We now find a new division of victor States and defeated States. The victor Powers endeavour to destroy the basis of the defeated German rival by robbing it of its colonies, shipping and the main part of its coal and iron resources, and shackling future development by the imposition of a heavy debt to pay. In doing this they raise a hundred new problems of which they are not themselves aware at the outset. In order to confirm their domination they bring into existence a whole series of new satellite and succession States, whose frontiers and diplomatic and economic relations create a host of new problems (the so-called "Balkanisation" of Europe).

But the transformation of the relations of Europe and the world is still more far-reaching. The ultimate victory of the war, so far as it is possible to speak of any between the rival Powers, is revealed as passing, not to the victor Powers in Europe, but to the new world Power outside Europe which has now come fully to the front, outgrowing its previous in part financially dependent and debtor position, and now materially and financially stronger than any—the United States of America, grown to full power on the profits of the war and overshadowing all the rest in wealth, resources and the power of production. The United States was able to play the waiting game of neutrality until the last stage, to enter only into the culminating decisive phase on the principle of the final stake that wins all, and to emerge with undiminished resources, in contrast to the exhaustion of the other warring Powers,

the strongest force in the new relations of strength after the war, capturing the lion's share of the markets that the war had laid open, and the ultimate creditor of the new pyramid of debt that succeeded the war. Alongside the United States, the other rising powers outside Europe, Japan and to a certain extent the British Dominions, have advanced in strength and begin to threaten the former supremacy of the old world and increasingly to win its markets. New antagonisms and areas of conflict on a world scale come to the front which begin to threaten to exceed by far the antagonisms preceding the war of 1914.

At the same time the colonial nations are now rising in consciousness and in revolt. A new wave of awakening passes over Asia and Africa.

Thus we get an extremely diversified picture in the postwar world of a whole series of different levels: (1) the strongest imperialist State, the United States of America, in a creditor position to all the rest, endeavouring at first, to exercise direct world domination through the leadership of the Peace Conference and of the world League to be formed, but thereafter retiring to a policy of isolation, which the facts of world politics increasingly defeat; (2) the rising Powers outside Europe—Japan and British Dominions, these latter still in a financially, and to some extent politically, dependent position; (3) the victor Powers in Europe with Britain torn between its European liabilities, and its larger world interests, and faced with the disintegrating tendencies of its Empire; with France seeking to exercise a precarious hegemony in Europe exceeding its strength; and with Italy discontented and inclining to side with the defeated Powers; (4) the satellite States of the victor Powers in Europe, dependent on their support for maintaining their position, and the ex-neutral States; (5) the defeated Powers, at first the passive object of policy, then advancing to a challenging position; (6) the colonial nations advancing at various stages in the struggle for independence; and finally alongside all these, (7) communism, now directly holding power over

one-sixth of the earth. And this is to miss out a whole series of intermediate stages, backward countries, semi-independent States, to.

Here is, indeed, a picture of extreme inequality of development. What of the antagonisms of capitalism? Have they diminished since the war? On the contrary. The antagonisms which gave rise to the war have been intensified by its results; and a score of new antagonisms all over the world have broken out.

It is through this maze of antagonistic interrelations, and their shifting interplay, that we now need to note some of the main governing lines of significance for future world development, and, in particular, the character of the post-war "settlements" to which they gave rise, the gradual liquidation of these settlements and the advance to the present stage in which new issues are pressing forward once more to the point of decisive conflict.

4. *The Post-War Settlements*

Two main settlements governed the post war period: Versailles, and its associated minor treaties, in respect of Europe, the Near East and the former German colonies; and Washington in respect of the major extra-European issues. Versailles had in fact been intended to represent a world settlement, leading to a world League; it became in practice, owing to the major antagonisms of the United States against the British-French alliance (in reality reflecting the main antagonism in the post-war period, the Anglo-American antagonism), essentially a European settlement.

The victor Powers had won the war; but they were sharply divided when it came to the division of the spoils and their conception of the peace that was to follow it.

The United States, which had no need of territorial conquests was less affected by the former German

commercial rivalry, sought to realise two main aims : first, in the early stages, through the role of Wilson, to achieve a position of leadership of world capitalism consonant with its new strength and to become the arbiter of Europe; and second, to strike down British naval supremacy, which was the main obstacle to American world hegemony, and for which purpose a vast naval building programme was pressed forward immediately after the war. The dreams of Wilson of American world leadership, with himself as President of the Federation of the World, were rapidly shattered (and now only remain enshrined in Article 5 of the Covenant of the League of Nations, that "the first meeting of the Assembly and the first meeting of the Council shall be summoned by the President of the United States of America"). The strategic strength of the United States was not yet sufficient to establish such a position of direct world domination in the face of the power of Britain and France. American policy accordingly drew back from the too direct line of Wilson, refused to sign the Versailles Treaty or enter the League, and pursued instead the line of so-called "isolation," in fact of more indirect financial, economic and diplomatic penetration, alongside of strengthening its strategic preparations. This was the first rift in the victor alliance, and the signal of the new world antagonisms developing.

Britain and France were united in the first stage in seeking to strike down Germany; but when it came to the methods and the division of the spoils they were sharply divided. Britain was concerned to strike down Germany as a commercial, shipping and naval rival, and to win the former German colonies; in respect of Europe it was anxious to avoid too sharp a tipping of the balance of power in the long run. France was concerned to establish its hegemony in Europe, to extend its territory to the left bank of the Rhine, to win the decisive coal, iron and steel area of Europe, comprised in Lorraine, the Ruhr and the Saar, and to hold Germany in permanent inferiority. These two aims were necessarily antagonistic, and underlay the ceaseless British-French conflict which accompanied their partnership in holding the spoils of victory throughout the post war period.

Britain was the most successful in securing its war aims. Lloyd George could declare with reason, as reported in Lord Riddell's *Intimate Diary of the Peace Conference and After, 1918-1923* :

"The truth is that we have got our way. We have got most of the things we set out to get. The German navy has been handed over, the German mercantile shipping has been handed over, and the German colonies have been given up. One of our chief trade competitors has been most seriously crippled, and our Allies are about to become her biggest creditors. That is no small achievement."

The summary is correct. Britain secured the destruction of the German navy, the handing over of the German merchant marine, the crippling of German industry by the loss of three-fourths of its iron ore supply and one third of its coal as well as by the weight of reparations; and in addition the British Empire secured an extension of 35,000,000 people (as against 402,392 square miles to France, inhabited by 4000,000). It is only necessary to add that by 1925 German steel production was nearly double the British level; by 1927 German industrial production was 17 per cent above pre-war, while British was 8 per cent below; by 1930 German exports exceeded British; by 1935 Britain was signing an agreement for German naval rearmament, and by 1936 British ruling circles were discussing the necessity of the return of colonies to Germany.

France was less successful in its war aims. It secured Alsace and Lorraine, but the aim of the General Staff to extend the frontier to the left bank of the Rhine was defeated by the opposition of Britain and the United States, who offered as an alternative a Treaty of Military Guarantee which subsequently fell through. All that could be obtained was a joint allied occupation of the left bank for fifteen years, fifteen years of Saar coal, and demilitarisation of a fifty-kilometre zone on the right bank of the Rhine. Disarmament was imposed on Germany under inter-allied control, with limitation to a professional army of 100,000 and prohibition of heavy artillery and military aviation;

but a blind eye was turned to the numerous armed counter-revolutionary organisations (*Orgesch*, *Einwohnerwehr*, etc.) which were required to hold in the workers' revolution and became the nucleus of the subsequent Fascist formations. Heavy reparations were imposed of an unspecified amount (the French Minister of Finance who endeavoured to calculate them, with an original estimate of £20,000,000,000, ending in an asylum); but the object of these was essentially political, as a means of exercising pressure on Germany and securing what the Treaty had failed to give. The iron of Lorraine required the coal and coke of the Ruhr; the marriage of these had been the basis of German heavy industry; and French policy was directed to securing the permanent occupation of the Rhineland and the conquest of the Ruhr. For this purpose the reparations issue was an essential weapon. As Poincaré explained in a speech on June 26th, 1922 :

“ So far as I am concerned, it would pain me if Germany were to pay; then we should have to evacuate the Rhineland. Which do you regard as better, the obtaining of cash or the acquisition of new territory? I for my part prefer the occupation and the conquest to the money of reparations. Hence you will comprehend why we need a powerful army and vigilant patriotism; you will comprehend that the sole means of saving the Treaty of Versailles is to arrange matters in such a way that our defeated enemies cannot fulfil its conditions.”

This policy reached its highest point and breakdown in the occupation of the Ruhr in 1923.

At the same time France sought to establish its hegemony in Europe by a series of treaties with the secondary European States which benefited by the Treaty of Versailles (Franco-Belgian Military Alliance, 1920; Franco-Polish Alliance, 1921; Czechoslovak-Yugoslav-Rumanian Alliance, 1921; Franco-Czechoslovak Alliance, 1924; Franco-Rumanian Alliance, 1926; Franco-Yugoslav Alliance, 1927).

The Versailles Treaty is to-day a conspicuous failure and the common butt of criticism. But in fact it reflected the given aims and relations of imperialism. The plea sometimes put forward that its unworkable territorial provisions were the consequence of idealistic motives of "self-determination" will not hold water. The lopping off of German populations as well as the prohibition of the union of Austria with Germany was governed by strategic considerations, in defiance of the most elementary principles of self-determination. The colonial partitions bore no relation to self-determination. In the four new or enlarged European States beneficiary under the victor treaties, Poland, Czecho-Slovakia, Yugoslavia and Rumania, the national majorities of 47·9 millions were given rule over national minorities of 22·7 millions, as the following table indicates:

	National Majority	National Minorities
Poland	17,667,000	9,547,770
Czecho-Slovakia	8,760,000	4,844,000
Yugoslavia	9,971,600	2,160,100
Rumania	11,576,000	6,240,600
	<hr/>	<hr/>
Total	47,974,600	22,792,470

(J.S. Rousek, *The Working of the Minorities System under the League of Nations*, Prague, 1929, quoted in V. DE BALLA *The New Balance of Power in Europe*. Oxford University Press, 1932)

The Versailles and allied treaties were essentially strategic treaties of imperialism, which alternately exploited and violated the pleas of "self-determination" in accordance with strategic interests.¹

(I) It is impossible to refrain from quoting the editorial of *The Times* following the publication of the Versailles Treaty:

"This Treaty is almost unique among the Treaties of the world in the careful consideration that its framers have given to the principles of a just settlement as distinguished from claims of ambition or of selfish interest."

(*The Times*, May 12th, 1919)

With this it is only necessary to compare the editorials of *The Times* in 1935 attacking the Versailles Treaty for its injustice to Germany.

The situation immediately after Versailles was governed by the two major antagonisms of the victor Powers, the British-American antagonism and the British-French antagonism,

No sooner had German imperialism been cleared (temporarily) out of the path than it became evident that the former dominant Anglo-German antagonism had only given place to a more vast world imperialist antagonism, that of Britain and America, which was destined in the new epoch to become the pivot of inter-imperialist relations. In 1919-1921 the Anglo-American antagonism flared up at a reckless pace. Already in 1919 Colonel House could report to President Wilson (on July 30th, 1919) :

“Almost as soon as I arrived in England, I felt an antagonism to the United States. . . . The relations of the two countries are beginning to assume the same character as that of England and Germany before the war.”

The sharpest expression of this conflict was the naval building race which developed in 1919-1921 (the conflict in fact ranged over all fields, notably oil, as in the sharp Curzon-Colby correspondence in 1920 over San Remo and Mesopotamian oil). The United States had laid down a heavy naval building programme in 1918. In 1919 Lloyd George pressed Wilson at Versailles for “a more positive endorsement of great Britain’s maritime position and perhaps a guarantee that the United States would not push naval competition to a point where they could threaten the supremacy of the British on the seas” (*The Intimate Papers of Colonel House*, Vol. IV, p. 417). Lloyd George stated to Colonel House during the Paris Peace Conference :

“Great Britain would spend her last guinea to keep her navy superior to that of the United States or any other Power.”

(*The Intimate Papers of Colonel House*, Vol. IV, p. 186.)

The reaction of the United States Secretary of the Navy, Daniels, was recorded in his diary, where he noted the British demand in the following terms :

“Mr. Lloyd George cannot support the League of Nations unless the United States will agree to cease the construction of its big naval program. Great Britain cannot consent to any other nation having supremacy on the seas.”

“I did not reply to this virtual ultimatum. It ended the discussion for the time being. . . . It was necessary to end the conference to secure time to cool off after so astonishing a threat.”

(Diary of the United States Secretary of the Navy, J. Daniels, quoted in F. Moore, *America's Naval Challenge*, New York, 1929)

This attempt to secure American agreement to British naval supremacy was not successful. In 1920 Britain began to climb down and announced a One-Power Standard ; on March 17th, 1920, the First Lord of the Admiralty announced in the House of Commons the principle “that the British Navy should not be inferior in strength to that of any other Power.” But, as the American naval experts were quick to point out, the principle “inferior to none” did not guarantee equality. Japan at the same time was pressing forward with its naval programme and in 1920-1921 was spending half its revenue on navy, in 1921 the British Parliament voted four super-Hoods, larger and stronger than any battleships then building abroad ; and four other great battleships were planned for the following year.

The world economic crisis opening in the winter of 1920-1921, which fell with especial heaviness on Britain, inaugurating the deep depression of the basic industries and mass unemployment that has continued unbroken in the post-war Britain of capitalist decline; brought a stop to this headlong race and compelled British imperialism to draw in its horns. The United States summoned the Washington Conference at the end of 1921, and was able to compel the acceptance by Britain

of naval parity in capital ships, the acceptance by Japan of a three-fifths ratio, and the abandonment of the Anglo-Japanese Alliance. This victory of the United States was won without a battle on the strength of its superior economic and financial resources. Nevertheless, the struggle continued, as the subsequent breakdown of the Geneva Naval Conference in 1927, the ceaseless disputes on parity, the very partial achievement of the London Naval Treaty of 1930, and the final breakdown of the Washington basis with the Japanese repudiation in 1934 revealed.

The further significance of the Washington Treaties in relation to the Far East will need to be considered in a later chapter.

The British-French antagonism, which has already shown itself in the Peace Conference (notably in the Lloyd George Memorandum of March 1919, and in Smuts' declaration of the intention of future revision, on signing the treaty), developed immediately after, not only over the questions of reparations and policy in Europe, but also sharply in the Near East. In the near East Britain and France conducted a war by proxy through the persons of Greece and Turkey; Britain supported armed Greece; France supported and armed Turkey. Nationalist Turkey under Mustapha Kemal was able to tear up the Treaty of Sevres and establish its independent national existence on the basis of the British-French antagonism: the Franco-Turkish Treaty of October 1921 was signed in the face of the impotent protest of Lord Curzon. The subsequent route of the Greek troops and the Chanak crisis of the British troops at the Straits in 1922 led directly to the fall of the the Lloyd George Government. By the Treaty of Lausanne in 1923 the Turks won the main part of their national aims, with the exception of Mosul and the necessity to accept the demilitarisation of the Straits.

In Europe, Britain sought to weaken the French hegemony, without abandoning the basis of Versailles, by giving a measure of support to Germany, and even by one ambitious attempt to draw in also Soviet Russia

to redress the balance. This attempt was made by Lloyd George at the Genoa Conference in 1922 ; elaborate plans had been drawn up for a European Financial Consortium to organise the "Restoration of Europe" and prepare the economic and financial penetration of Russia. The attempt broke down against the resistance of France, where Briand had been replaced by Poincare, and against the firm, though conciliatory, attitude of Soviet Russia which was prepared for economic relations, but was not prepared to yield to fantastic claims. The only positive outcome was the Rapallo Treaty of Germany and Soviet Russia, which brought for the first time a counterweight against the dominance of Britain and France and was the first step in weakening the chains of Versailles. The failure of Lloyd George at Genoa combined with the subsequent Chanak crisis to cause his downfall and replacement by the weak Bonar Law Government.

France was now free to go forward with its policy independently of Britain, and in January 1923 Poincare occupied the Ruhr. Britain vainly sought the help of the United States to redress the balance; but the conditions were not yet ripe. It was first necessary for Britain to accept the onerous debts agreement with America, made far heavier for Britain than for any subsequent debtor. By the end of 1923 the United States, now desirous to enter Europe as a field for the export of its surplus capital, was ready to act. With the breakdown of the Ruhr adventure in the face of German mass opposition, the way was open for Anglo-American temporary financial and diplomatic co-operation to enforce on France acceptance of the Experts' Plan or Dawes Plan for the more scientific exploitation of Germany in the interest of Anglo-American finance.

The Dawes Plan, adopted in 1924, ended the first post-war period and opened the new period of temporary stabilisation.

5. Stabilisation and its Breakdown

The period of temporary stabilisation—which may well be called the period of illusions of a restored and

prosperously advancing capitalism—lasted from 1924 to 1929.

It began with the London Conference and the adoption of the Dawes Plan in 1924, which was regarded as settling the vexed question of reparations on a practical basis ("the standpoint adopted has been that of business and not politics," declared the experts), and opened the way for the economic restoration of capitalism in Germany. This was followed by a flow of American capital and credits into Germany and other European countries, leading to rapid industrial development and expansion. A series of League of Nations loans assisted the smaller European States. In 1925 this economic restoration was followed by a process of political settlement through the Locarno Treaties, of which the most important guaranteed the western frontier of Germany on a basis of common guarantees of Britain, France, Germany, Belgium, and Italy. In the same year Britain returned to the gold standard; and in successive years the gold standard was re-established in the majority of countries. In 1926 Germany entered the League of Nations, closer Franco-German co-operation was established at Thoiry, and French and German interests united in the European Steel Cartel. Briand and Stresemann spoke of themselves as "good Europeans"; projects of "Pan-Europe" began to be mooted with semi-official encouragement, a new era of peace and progress was believed to have opened, with the gradual obliteration of old divisions and differences. In the same year the Preparatory Commission of the Disarmament Conference began its sessions, and continued in 1927 with the addition of representatives of the Soviet Union. In 1927 the Assembly of the League of Nations resolved that "all wars of aggression are and shall always be prohibited." In 1928 the Briand-Kellogg Pact recorded the pledges of all the States of the world to "renounce war as an instrument of national policy." In 1929 the Young Plan experts were laying the foundations of an International Bank, which should, in the words of the report, "become an increasingly close and valuable link in the co-operation of central banking institutions generally, a co-operation essential to the continuing stability of the world's credit structure."

Production and trade leapt up throughout the world. Between 1925 and 1929 the League of Nations index of the world production of foodstuffs (on the basis of 100 as the average of 1925—9) rose from 98 to 103, of industrial raw materials from 92 to 111, of industrial goods from 92 to 111, and of the volume of world trade from 92 to 111. In those same years the index of German industrial production rose from 87 to 109, of the United States from 95 to 109, of the United Kingdom from 99 to 112, of France from 88 to 114. Profits piled up, capital investments soared, share values soared. The index of the market value of industrial shares rose in the United States from 100 in 1926 to 189 in 1929, in Germany from 93 in 1925 to 126 in 1929, in the United Kingdom from 109 in 1925 to 139 in 1929.

That was one side of the picture—a picture of boom conditions, of a “loudly acclaimed prosperity, peace and progress of a supposedly stabilised and reorganised capitalism which was believed to have overcome its contradictions and antagonisms. On this basis was built a host of illusions of “organised capitalism,” the “conquest of poverty,” the “end of crises,” and in general a “new era” of limitless expansion and world peace. Hoover declared in 1928 that “the outlook for the world to-day is for the greatest era of commercial expansion in history.” and again that “unemployment in the sense of distress is finally disappearing; we in America to-day are nearer to the final triumph over poverty than ever before in the history of any land.” The American Professor N. Carver of Harvard University published a book in 1928 entitled *This Economic World* in which he raised the question “How long will this diffusion of prosperity last ?” and answered: “There is absolutely no reason why the widely diffused prosperity which we are now witnessing should not permanently increase.” This view was shared by the leaders of industry. The president of the Bethlehem Steel Corporation declared in 1928: “I say with confidence that there has been established a foundation upon which there may be built a structure of prosperity far exceeding anything we have yet enjoyed” (*The Iron Age*, November 1st, 1928). The president of

General Motors declared : " My standpoint regarding 1929 is based on the conviction that our general economic and industrial situation is thoroughly sound" (*New York Times*, October 29th, 1928). The special conditions of the American expansion of this period, and the high wages paid to a section of the workers, were regarded as the type of modern capitalism. The view was expressed that capitalism was evolving, with the growing concentration of the great trusts and co-operation of the central banks, to a new type of " organised capitalism " or " ultra-capitalism," i.e. to a rational productive organisation of economy on a world scale, eliminating crises and gradually overcoming poverty and unemployment. These views were especially promoted by the reformist leadership of the Labour movements in Europe and America. The theorist of German Social Democracy, Hilferding, stated at the Kiel Congress of his party in 1927, that " we are in the period of capitalism which in the main has overcome the era of free competition and the sway of the blind laws of the market, and we are coming to a capitalist organisation of economy...to organised economy," and that "organised capitalism in reality signifies the supersession, in principle, of the capitalist principle of free competition by the Socialist principle of planned production."

These illusions of the period of temporary stabilisation as a supposed new era of a stable and permanently advancing capitalism were shared and expressed, in one form or another, by all the political leaders, the business leaders and the economic theorists of capitalism, as well as by the trade union and Labour reformist leaders and theorists. The Marxists alone at the time correctly analysed the situation and its future outcome.¹

¹ After the event, official expression recognised the illusory character of the period of stabilisation. Thus the British Government Note of December 1st, 1932, to the United States declared :

" The prosperity of the period from 1923 to 1929 was to a large extent illusory, and the seeds of future trouble had already been sown."

This hindsight after the event is typical of bourgeois economic wisdom. In fact, the admission was only made for the purposes of the debts controversy with the United States.

The reality was indeed different, as the subsequent world economic crisis which began in 1929 rapidly made clear to all. So far from the inner contradictions and antagonisms of capitalism having been overcome, they were intensified by the general crisis of post-war capitalism; and the subsequent world economic crisis exceeded in intensity all that had gone before. The whole basis of the post-war temporary stabilisation was in fact rotten at the root. It did not represent in any sense a return even to the pre-war level of relative stability, but was built on forces which made certain the future collapse. The reasons for this lay both in the particular conditions of the process of partial stabilisation, and in the general conditions of the stage of capitalism that had been reached.

The immediate pillar of the process of capitalist restoration in Europe was the flow of American capital export to Europe, and especially to Germany. This laid the basis for the return to the gold standard, and produced a temporary flush of prosperity and expansion. In reality it concealed a heavier dilemma than which it was intended to solve.

The United States had emerged from the war a creditor nation in place of its previous debtor position. But it was a creditor nation of a new type. Unlike the United Kingdom, which had since the middle of the nineteenth century combined a rising creditor position with a rising net balance of imports, representing the portion of the overseas tribute which was not reinvested, the United States combined its new creditor position with a large surplus of exports, which was being forced up by every means of highly organised mass production and competitive selling, at the same time as high tariffs were being maintained and increased to exclude imports. From this resulted an obvious contradiction. The impoverished world after the war was in debt to the wealthy American capitalism, and at the same time America was pouring out a surplus of goods on the world, which increased the debt. Europe with an adverse trade balance of four hundred million pounds

was needing to pay tribute to America with a favourable trade balance of two hundred million pounds. The result inevitably reflected itself in the flow of gold to America. Between 1913 and 1924 American gold holdings rose from 1,924 million dollars to 4,499 million dollars, or roughly half the gold in the world. The apoplexy of capitalist development had now reached an extreme point. While Europe was struggling with paper inflation and dear credit, the United States was struggling to "immobilise" and "sterilise" its gold in vaults in order to prevent "gold inflation." "Your country has most of the gold in the world: what are you going to do about it?" was the question asked of Ambassador Kellogg by "a distinguished London banker," according to a speech of the former at a farewell banquet in London. His reply was: "Bring the pound sterling to a gold basis and restore the currencies of Europe, and the gold question will settle itself" (*The Times*, January 31st, 1925). But, as subsequent experience has shown, the question did not "settle itself" so easily.

The short-lived "solution" found was the export of American capital to Europe and the world. From the second half of 1924 loans and credits, governmental and industrial, of which the Dawes Loan was only the leading example and signpost, poured into Europe from America. The restoration of Europe was in full swing. The Democratic Left (represented by the MacDonald Government in Britain and the Herriot Government in France) had their brief heyday while the golden chains were being imposed—to be speedily replaced by sterner forces as soon as the exaction of the tribute became the task. The flow of gold was turned. Gold began to pass out again from America to the rest of the world. In the first half of 1924 the net gold import into America was 450 million dollars; in the second half there was a net gold export of 170 millions. The dollar exchange began to climb down closer to sterling. The restoration of the gold standard followed in Britain in 1925.

It was obvious that the whole basis of this restoration was precarious and bound to lead to a future collapse.

So long as the flow of American capital export could be maintained, the position could be held. Between 1925 and 1928 the average annual total of American foreign investments amounted to 1.100 million dollars (U.S. Commerce Reports, May 13th, 1929). By 1928 the net interest from foreign investments amounted to 523 million dollars, and the receipts on war debts to 210 millions (it will be noted that the question of reparations and war debts accentuated, but played a secondary role in the total tangle), or a total of 733 millions (*The Balance of International Payments of the United States in 1928*). Thus the new foreign investment exceeded the return in interest and receipts on war debts. It was clear that this situation could not continue for more than a limited period. On the side of Germany the total gross foreign debt mounted up from 2.5 milliard Reichsmarks in 1925 to 25 milliards in 1929, or from £125 million to £1,350 million (Reich Statistical Office figures, *Wirtschaft and Statistik*, November 2nd, 1930). By 1928 the German statistician, Dr. Kuczynski, estimated that of the total German wealth, computed at 50 to 60 thousand million dollars, foreign holdings in one form or another amounted to 13 to 15 thousand million, or one quarter (*New York Nation*, November 7th, 1928). As the pyramid of debt mounted up, and the interest was only being paid by new borrowing, each new loan became more precarious, and the prospect drew closer in sight when the flow of new foreign capital would dry up. But once this flow should begin to dry up (as it finally did in 1930), the whole structure would come crashing, unless a vast surplus of exports could have been achieved in the interim period to pay the tribute. At the end of the process of "stabilisation" the original problem recurred in sharpened form.

To meet this situation it was necessary for the European countries, and for Germany in particular, enormously to increase their exports. But in the four years 1925 to 1928 Germany had a net imports surplus of 7,811 million marks, or £390 million. To turn this into an exports surplus sufficient to pay the interest on the foreign debts (even if reparations payments had been completely cancelled) would have made it necessary to flood the world market with German goods.

Every effort was made to achieve this aim. A gigantic rationalisation process was carried through, with the aid of the borrowed capital, to equip German industry to pour mass-production goods on the world market. But here the effort broke down against the deeper causes of the world economic crisis.

Every capitalist industrial country in the period of partial stabilisation was enormously increasing its productive power. Each one was seeking to obtain an enlarged share of the world market to absorb its output. At the same time the production of primary materials in the colonial and semi-colonial countries was enormously forced up. For a period the process of expansion could develop through the phase of the boom so long as the actual expansion of production could help to provide the expanding market. But ultimately this expansion of necessity broke against the limits of mass consumption in the conditions of capitalist exploitation. The very process of rationalisation, which extracted a continually increased output from a diminished labour force and with a diminished net return to labour, intensified this contradiction. Already in the beginning of 1928 the Chief of the United States Bureau of Labour Statistics was raising the problem.

"The question which everybody was asking in 1927 was: How is the reduced employment going to buy the increased output? Rationalisation spells increased output. The year 1927 did not answer the question, and let us hope that it will be as successfully sidestepped in 1928."

The first signs of the approaching crisis appeared in the accumulation of stocks of primary products. World stocks of primary products, on the basis of 1923-1925 as 100, increased by the end of 1926 to 134, by 1928 to 161, and by 1929 to 192. An agrarian crisis developed in the colonial and semi-colonial countries.

The crash came in 1929. The crash began in the United States and extended to the world. American capitalism, which had been held up as the type of the "new capitalism," and which had been the principal

organiser of "stabilisation," became the principal demonstration of capitalist bankruptcy and the immediate agent of disorganisation of world economy. When the crash came, it was all the more extensive, far-reaching and lasting in its effects, both because of the enormous increase in productive power, and because of the economic-political conditions of the general crisis of capitalism already described.

The world economic crisis of 1929 to 1933 was the most devastating economic crisis in capitalist history. It is unnecessary to describe in detail the havoc of this crisis, whose effects, continued into the prolonged depression that has succeeded it, have affected the lives of every human being. Between the peak in the second quarter of 1929 and the lowest point of the crisis in the third quarter of 1932, world industrial production outside the Soviet Union (whose production nearly doubled in the same period), on the basis of the average of 1925—1929 as 100, fell from 113.1 to 65.9, or a fall of 42 per cent (figures of the Institut für Konjunkturforschung, reproduced in *World Production and Prices, 1925—1932*, League of Nations, 1938, p. 47). For contrast it is only necessary to note that in any previous pre-war crisis the maximum recorded fall of production was 7 per cent. Between 1929 and 1932 world trade, measured in gold dollars, fell by 65 per cent. The previous maximum drop, in the crisis of 1907—1908, was 7 per cent. Mass unemployment rose to a total estimated at thirty to fifty millions. The League of Nations international index of unemployment rose from 100 in 1929 to 164 in 1930, 235 in 1931, and 291 in 1933, and remained at 274 in 1933 and 221 in 1934.

The period of temporary stabilisation thus ended in the greatest economic crash in history. In the earlier stages the attempt was still made to minimise its significance as a temporary interruption of capitalist progress. The attempt was made to attribute its causes to isolated, incidental factors, and in particular to the working of the vicious system of reparations and war debts. But the abolition of reparations

and war debts payments by the Hoover moratorium of 1931, so far from solving the crisis, only laid bare its deeper character. As the deeper effects of the crisis began to operate in 1931—1933, and the prolonged depression ensued, far-reaching economic and political changes followed which have transformed the world situation and shaped the present era.

6. *The Liquidation of the Post-War Settlements*

The world economic crisis opened a period of storm in international political relations which is still rising. The language of peace and reconciliation passed into the background. The language of war and preparation for war became open and strident. The joint author of Locarno, Sir Austen Chamberlain, looking out on the world in 1932, gave utterance at a Primrose League dinner to his unconcealed apprehension, as he reviewed the transformation from the happy days (*me consule*) of Locarno and stabilisation :

“ I look at the world to-day, and I contrast the conditions now with the conditions at that time, and I am forced to acknowledge that for some reason or other, owing to something upon which it is difficult to put one's finger, in these last two years the world is moving backward. Instead of approaching nearer to one another, instead of increasing the measure of goodwill, instead of progressing to a stable peace, it has fallen back into an attitude of suspicion, of fear, of danger, which imperils the peace of the world.”

(*The Times*, February 4th, 1932)

“ The world is moving backward.” The innocent might have imagined that a good Conservative should be delighted to be able to make such an announcement. But in fact the world was not moving backward. It was moving forward at an accelerating pace, to growing crisis, to ever more visible social, economic and political bankruptcy of the existing capitalist regime, to desperate expedients of reaction, to war and the menace of impending explosions, both within each country and internationally,

and to growing advance to revolutionary struggles. This was the outcome to which the period of capitalist restoration had finally led.

In rapid succession event followed event, bringing down the pillars of stabilisation and of the post-war settlements. In 1930 an emergency regime was established in Germany, suspending parliamentary forms; this continued until the final transition to Fascism in 1933. In 1931 came the suspension of all payments of reparations and war debts; the formation of the National Government in Britain; the collapse of the gold standard in Britain, followed by most other countries; and Japan's invasion of North China, in violation of the Covenant of the League, the Washington Nine-Power Treaty and the Kellogg Pact, followed by Japan's departure from the League of Nations. In 1932 the Disarmament Conference opened while the Japanese guns were bombarding Shanghai and Chapei, and for three years dragged out its fruitless sessions; the Lausanne Conference registered the end of reparations; the Ottawa Conference of the British Empire marked the end of the last remains of free trade, while the completion of the first Five Year Plan brought the Soviet Union to the position of the first industrial Power in Europe and the second in the world. In 1933 Hitler came to power in Germany and inaugurated the regime of Fascist terror, with repercussions throughout Europe; Germany left the League of Nations and resumed freedom of action in the military sphere; Roosevelt inaugurated the emergency regime of the New Deal in the United States; the gold standard crashed in the United States, the only remaining great country where the pre-war gold standard had continued; the World Economic Conference ended in swift fiasco. In 1934 German rearmament went forward, and the leaders of the Nazi storm troops were slaughtered in the June purge; Dollfuss was killed in Austria, and Barthou in France; armed struggles against Fascism and reaction took place in Austria and Spain; in France Fascism was held back by the united working-class front and later the people's Front, the transformation of international political relations was signalled by the entry of the Soviet Union into

the League of Nations. In 1935 Germany adopted its conscription law, in defiance of Versailles, followed by the Anglo-German Naval Agreement; the Franco-Soviet Pact revealed the new alignment of forces; Italy launched its war of aggression on Abyssinia, in defiance of the League; and Japan repudiated the Washington Naval Treaty. In the beginning of 1936, while Italy went forward with its war on Abyssinia, unchecked by the League's very weak economic sanctions, and Japan went forward with its extending war on North China, the London Naval Conference was marked by the departure of Japan and registered the end of the Washington naval limitation system. Britain announced its new rearmament programme, and the German repudiation of Locarno and re-militarisation of the Rhineland opened a new crisis in European political relations.

Eighteen years after the Armistice, sixteen years after the Versailles Treaty, fourteen years after the Washington Treaties, eleven years after the restoration of the gold standard as a world standard, what remains of the post-war settlements?

The Versailles Treaty was the treaty of the victor imperialist Powers of the West to hold down the rising German rival in permanent economic and military subjection. That aim has ended in complete failure.

Britain, threatened before 1914 by the rising economic and naval challenge of Germany, prepared the elaborate encirclement system of the Entente and fought the war at a cost of a million dead and eight thousand millions of debt to defeat that challenge. In 1913 Britain still held first place in world export with 13.11 per cent of the world total against 12.39 per cent for Germany and 12.56 per cent for the United States. The first effects of the war and of Versailles struck down Germany. By 1924 Germany had fallen to 5.75 per cent; but Britain had also fallen to 12.94 per cent, while the advantage had gone to the United States, which had risen to 16.45 per cent. By 1929 Germany had risen to 9.82 per cent and was once again pressing hard Britain, which had fallen further to 10.86 per cent, while the United States stood at 15.77 per

cent. By 1930 German exports at £601 million for the first time in history exceeded Britain at £570 million, and this was continued in 1931 and 1932, until the Hitler regime brought down German exports. In respect of production by 1928, according to the Institut für Konjunkturforschung, German production stood at 10·8 per cent of world production, while the British proportion was 8·5 per cent; the figures for 1934 were 10·4 per cent for Germany, and 10·1 per cent for Britain.

The whole system of reparations and war debts, which had been elaborately calculated with detailed schedules of payments for eighty years ahead, collapsed in 1931 with the Hoover moratorium completed by the Lausanne Conference ending reparations in 1932; in December 1932 Britain made a last war-debts payment in gold to the United States, made two token payments in silver in 1933, and finally repudiated payment in 1934.

On the military side Versailles lies equally in ruins, Britain fostered German rearmament (with the *Daily Mail*, which a decade and a half ago had daily proclaimed, "They will chest you yet, those Junkers," leading the pro-German ranks): the disarmament clauses were finally repudiated by the German Military Law of 1935; the aerial disarmament clauses by the proclamation and rapid building up of the German Air Force; the naval disarmament clauses by the Anglo-German Naval Agreement of 1935, which included a special clause permitting Germany to build submarines up to 100 per cent of the British level. The remaining demilitarisation of the zone on the right bank of the Rhine was cancelled by the German military reoccupation of the zone in 1936, thus finally ending the military clauses of Versailles.

There remain only the territorial clauses of Versailles still intact, the new frontiers in Europe and the partition of the former German colonies; and these are now under the full offensive of the advancing revisionist forces with the demand for far-reaching changes of the existing European frontiers to build a new *Mitteleuropa* under Nazi domination and for the return of colonies to Germany.

What of the Locarno Treaty of the Western European Powers, which constituted the main pillar of stabilisation and of the new period succeeding Versailles ? The Locarno Treaty lies equally in ruins, following the German denunciation of it in 1936.

What of the League of Nations ? The United States never came in ; Germany and Japan have passed out ; Italy remains only nominally a member in defiance of its Covenant. There remain only two leading imperialist Powers, Britain and France. The League of Nations revealed its impotence before the Japanese aggression on Manchuria in 1931, and again before the Italian aggression on Abyssinia in 1935. Over the future of the League hangs a question-mark. If to-day, despite its manifest weakness, some signs of new life begin to stir in this institution, it is only since it was joined by the soviet Union, whose inclusion was never contemplated, and was indeed expressly excluded (see the list of original members and "States invited to accede to the Covenant") by the original Covenant.

What remains of the Washington Treaties ? The Washington Nine-Powers Treaty, guaranteeing the integrity of China, has been torn to shreds by the Japanese invasion of China since 1931. The Washington Naval Five-Power Treaty, with its continuation in the London Three Power Treaty, of 1930, was shattered by the Japanese denunciation in 1935; and the London Naval Treaty of Britain, the United States and France in 1936 marks the end of the quantitative naval limitation, with the remains of parity reduced to an exchange of letters, containing an extremely vague and elastic promise, between Britain and United States.

The Kellogg Pact for the renunciation of war has been freely violated since its signature.

Even such a secondary international pact of limitation as the 1925 Protocol for the prohibition of poison-gas warfare has been already torn to shreds by the the Italian action in Abyssinia,

What remains of the restored gold standard and stabilisation? It has given place to the departure from gold of all but three countries (with the hold of these increasingly precarious, and the near prospect of further departures), and to an intensity of currency war, economic instability and strangling of international trade without equal in the whole epoch of capitalism.

It is evident on all sides that a new phase of the world situation has succeeded to the old post-war era. The conditions of the old post-war era have passed away, unhonoured and unlamented. New and intensified antagonisms and struggles are arising on every side.

CHAPTER IV

The Rising Antagonisms of Capitalist World Economy

"Guns are more important than butter"

GENERAL GOERING in January, 1936.

At the root of the problems of world organisation lie the problems of world economy. Existing world economy in the post-war period is still governed by capitalist relations; the existence of socialist economy over one-sixth of the world has been able to immunise that sector from the phenomena of decline common to the capitalist five-sixths of the world, but is not yet extensive enough to change the dominant capitalist character of world economy as a whole,

It is manifest to all that post-war capitalist economy is very sick. This much is agreed by all the rival doctors, however much they may differ as to their diagnosis of the disease. For a short period, during the years of temporary stabilisation on the eve of the world economic crisis, the belief was widely current that capitalism had overcome its post-war difficulties and was entering on a new era of rapid advance. But the world economic crisis dealt these illusions a heavy blow, and compelled wider recognition of the deeper contradictions of the present epoch.

The decay of capitalism did not begin with the war of 1914. A closer analysis would show that this decay set in with the beginning of the imperialist era, when free trade capitalism gave place to the domination of monopoly, and capitalism in consequence ceased to be a progressive force for the development of production and became increasingly a fetter on the development of the productive forces. But the fuller working out of the consequences of this process only began to force themselves on general attention since 1914, when the explosive force of the gathering contradictions had begun to shatter the whole fabric.

From 1914 capitalism enters into the period of its decline and downfall.

This transformation of post-war capitalist economy has forced itself on the attention of all in the present period.

What in 1913 might have still appeared, with whatever contradictions and hardships, as a functioning and elaborately adjusted mechanism of world production, trade and finance, advancing with only slight interruptions to a continuous expansion of production and to ever closer world interdependence and interrelationships, has now revealed itself in the present stage as a system of extreme disequilibrium and discord, with downward trends of production over long periods, with an increasing gulf between productive power and actual production, and with centrifugal tendencies of break-up of closer world relations towards a system of restricted world trade, separate and competing financial bases of unstably related currencies, weakened international division of labour, and intensified warfare of the monopolist *blocs*. In fact these tendencies were already present in the germ in 1913; but they have only begun to reveal their full character and effects in the post-war period, especially after the world economic crisis. The fact that seven years after the outbreak of the world economic crisis, and four years after the passing of its lowest point, these tendencies are still strongly and even in some respects increasingly marked, indicates that these are no short-term factors of a temporary, passing disturbance, but are deeply rooted characteristics of the present period.

The recognition of this deeper transformation was for long obscured by the (still not completely vanished) tendency to regard 1913 as a "norm" from which capitalism has departed, and in consequence to find the causes of existing maladies in incidental, accidental disturbing elements, in the interference of arbitrary "political" factors (supposedly separate from the economic forces of

which they were the outcome and expression), or in particular errors of policy, rather than to see the present stage as the fuller working out of the inherent forces of the system as it existed already in 1913.

The conception of the "return to pre-war" as the ideal governed the years immediately after the war. This found characteristic expression at the time in the "normalcy" slogan of President Harding in 1921, the "tranquillity" slogan of Bonar Law in 1922, or the Supreme Council Economic Memorandum of 1920, which dismissed the existing disorganisation as "the invariable result of war."

"In comparison with most wars the present situation is far from abnormal..Taking the Allied countries as a whole, the recovery of industry has been remarkable. Nearly 18 months have passed since hostilities terminated; and the reaction which necessarily followed the tense strain of the war is gradually passing. The citizens of every country are once again resuming the normal occupations of home life, and in their renewed labour the Conference sees a clear sign of renewed prosperity."

("Declaration by the Supreme Council of the
Peace Conference on the Economic Condition
of the World," 1920)

Thus, during this first phase, the leading forces of capitalism saw only a temporary post-war disturbance to be solved by the return to "normal"; there was no understanding that the pre-war normal had vanished never to return.¹

1. Reference may be made to the present writer's argument at the time, in the *Labour Monthly* of August 1921, criticising the assumptions of the slogan "Back to pre-war," and insisting that "there will be no more normal years"; followed by a more detailed criticism of the Supreme Council's Memorandum, and of the false analogies with the post-Napoleonic period, and attempted demonstration of the permanent changes in the post-war economic situation, which would only increase as the war receded into the background, in the same journal for October 1921. By 1927 the Report of the Geneva Economic Conference was condemning the illusion of "Back to pre-war":

"Immediately after the war, many people naturally assumed that the war and the war alone was the reason for the

The second phase, after the process of reconstruction had been completed and the period of temporary stabilisation had begun, dispelled the old illusions, but gave rise to new ones. The completion of reconstruction began to lay bare the more permanent changes in the structure and relationships of post-war capitalism (partially surveyed in the Reports of the Balfour Committee on Industry and Trade during this period); but the conception arose that out of the conditions of stabilisation and rationalisation a new era of limitless capitalist advance was opening which was increasingly overcoming the old crises and contradictions. The conceptions of this period were illustrated in the proceedings of the World Economic Conference at Geneva in 1927. The Conference Report condemned the illusions of the "return to pre-war":

"The passing away of temporary financial and economic difficulties which have hitherto almost monopolised public attention now enable us to see more clearly

dislocation that emerged in the economic relations of individuals, of nations and of the continents. A simple return to pre-war conditions seemed in the circumstances the appropriate objective of economic policy which would be sufficient to cure the current difficulties. It is an instinctive tendency of mankind to turn to the past rather than to the future and, even at a moment when an old order is being displaced, to revert to former ideas and to attempt to restore the traditional state of affairs. Experience has shown, however, that the problems left by the war cannot be solved in so simple a manner."

(*Final Report of the World Economic Conference, 1927, p. 15*)

As always, bourgeois economic wisdom trails behind the event, but remains unable to understand the present. By 1927 very different problems were requiring to be faced in the shape of the new economic forces which were preparing the world economic crisis; but the Geneva Economic Conference remained blind to this situation (partially dealt with, at the same time as the Geneva Economic Conference, in the present writer's Notes in the *Labour Monthly* for July 1927, demonstrating how "from the very conditions of stabilisation and partial recovery" were arising the premisses for a "new capitalist crisis" which would be "no longer merely a sequel, but the prelude of new war problems"). A survey of the successive declarations of the Communist International, and of the leading Marxist economic theorists such as E. Varga, would show that the successive stages of the post-war period were correctly analysed and foreseen, phase by phase, by Marxism, and that the same cannot be said of any bourgeois economic treatment during these years.

and to study these more deeply rooted changes in the economic situation of the world; it is hopeless to try to solve such problems by striving after the conditions of 1913."

(*Report of the World Economic Conference, 1927*)

But the Conference Report placed its hopes in the supposed growing movement away from policies of "economic isolation" ("the opinion of the world is beginning to understand that prosperity is not something which can be enjoyed in small compartments") and in the advance of rationalisation ("the Conference has unanimously recognised the benefits of rationalisation and of scientific management, and it asserts the urgent need of greater, more far-reaching and better co-ordinated efforts in this field". The unsound basis of the temporary stabilisation—analysed in the previous chapter—and the seeds of approaching crisis inherent in the process of rationalisation were not recognised by the Conference.

The illusions of this period received typical illustration in a standard work of reference issued on the world economic crisis, the Fourteenth Edition of the *Encyclopædia Britannica* (still current at the time of writing), which, appearing in 1922, contained an article on the subject of "Capitalism" celebrating the triumph of modern post-war capitalism in overcoming or mitigating the "former violence" of crises by its superior world organisation:

"Capitalism is still accused of responsibility for avoidable unemployment, arising from periodic alternations of climaxes and depressions in trade activity, of 'booms' and 'slumps.' It is certain, however, that though there must always be some tidal movement of rise and fall, the former violence of these rhythms is now much abated in times of peace owing to longer experience and fuller knowledge; to swifter information in every part of the globe of what is happening in every other; to quicker transport, to better-calculated control exercised by the great trusts and syndicates as indirectly by the great banking combinations; and to the better adjustment altogether of world forces of supply and demand."

(*Encyclopædia Britannica*, 14th Edition, Vol. IV, p. 805, article "Capitalism")

It was in consequence only the breaking of the world economic crisis that began the process of awakening to the basic contradictions and new problems that had developed. The world economic crisis came like a bolt from the blue on the capitalist world. "In the summer of 1929," declared the British Government Note of December 1st, 1932, to the United States, "the storm that was brewing was not yet visible" (in fact the resolutions of the Tenth Plenum of the Communist International in July 1929 specifically predicted its approach and character). The effect, as the crisis developed and as the early prophecies of its rapid overcoming met with disappointment, was to produce a universal confusion and disarray of bourgeois opinion. During the phase of the lowest depths of the crisis, from the end of 1931 and through 1932, a sense of hopelessness and pessimism was widespread in ruling expression. The attempt was made to find the causes and solution of the crisis in isolated, secondary factors, in the effects of reparations and war debts, in tariffs, in monetary policy, in the distribution of gold, etc. These rival "theories" of the crisis in fact reflected the conflicting interests of different sections of finance-capital or rival imperialist groupings¹. In proportion, however, as the particular measures attempted of cancellation of reparations and war debts, departure from gold to a managed currency, etc, failed to bring any basic solution and only accentuated the underlying conflicts, bourgeois policy turned increasingly

1. The confusion of ruling opinion, following the economic crisis, was illustrated in the contradictory plethora of "solutions" offered on all sides for the existing dilemmas. "The only lasting step," announced the Basel Experts Committee's Report in December 1931, to solve "the increasing financial paralysis of the world," is "the adjustment of all reparations and war debts." But a year after the cancellation of these by the Hoover moratorium, the *Economist* had to register on May 14th, 1932, that "a year ago it was possible to believe—as Mr. Hoover and many bankers and statesmen believed—that the lifting of the burden of reparations and war debts would be such a relief to the world that it would turn the tide of depression. That belief is no longer possible; it is abundantly clear that action on a much wider scale is necessary." The "only one way out," affirmed the *Midland Bank Review* in January 1932, is "the way of a rising price level." "The only alternative solution," declared Keynes in

to the new forms characteristic of the present stage, the line of intensified monopolist organisation for intensified economic warfare, with increasing emphasis towards preparation for future armed warfare, as exemplified in the policies of the Roosevelt regime, of the British National Government, or of German "National Socialism"

"Thus we reach to the present stage in which the basic antagonisms of capitalist world economy are brought out with extreme sharpness. Even as the low levels of the economic crisis are left behind, there is no longer recovery of the old "normal" type to a new high level; world production, seven years after the opening of the crisis, has still barely reached the level of 1929 (in the third quarter of 1935 still 17.7 per cent below 1929, according to the New York *Annalist* Index); world trade remains heavily below the level of 1929 (in the third quarter of 1935 still 23.9 per cent below 1929, according to the League of Nations Index); mass unemployment continues in all countries, and even this very limited degree of recovery brings already in

a lecture on "The World Economic Crisis and the Way of Escape" in February 1932, to the disappearance of the existing credit system," is "a worldwide organised inflation." "The way of escape from economic crises," announced Sir William Boveridge in a Halley Stewart lecture on the same subject in the same month, "was by way of international action to suppress the anarchy of purchasing power and to keep the liberty of production and exchange." The only way to renewed prosperity," proclaimed a British Liberal Free Trade Manifesto in the same month, signed by Lord Cowdray, J. A. Hobson, Sir George Paish, F. W. Hirst, H. G. Wells and others, "is the removal of all hindrances to the free exchange of goods and commodities."

Needless to say, the views of American, French, German capitalism, etc. and their theorists differed markedly from the British as to the causes of the crisis and its solution, whether in respect of reparations and debts, of gold, of currency, of tariffs or of other factors. "The causes of this depression lie in much more potent factors than these debts transactions," affirmed the United States reply to the British Note in December 1932. Cancellation could not be considered proclaimed President Hoover in a parallel Press statement; but "recovery of prices and trade" might be achieved, not through cancellation, but through "tangible compensation" from the debtor countries in the shape of "expansion for markets of American agriculture and labour." "I do not believe there is any quick or spectacular remedy for the ills from which the world is suffering," declared Andrew Mellon,

view the menace of a new crisis in a number of countries. The inequality of capitalist development is carried to an extreme point; the degree of partial recovery in the different countries is extremely uneven; all forms of economic warfare are intensified; and rearmament and war-preparations play an increasing part in the economy of all countries.

The whole experience of the post-war period, of the world economic crisis, and of the present phase succeeding to the world economic crisis and depression, is thus demonstrating with increasing sharpness the incompatibility of the forms of capitalist economy with the urgent tasks of world organisation, and the growing conflict between the productive forces, pressing towards world organisation, and the fetters of existing capitalist relations.

1. *The Myth of "International" Capitalism*

When Cobden set out to negotiate the Commercial Treaty between England and France in 1860, he wrote to Gladstone.

reputed the world's wealthiest man, in a speech at a Pilgrims' dinner on his receptions as United States Ambassador in London in April 1932, "nor do I share the belief that there is anything fundamentally wrong with the social system. "The major cause of the crisis, argued the French economist, Charles Rist, and the ex-Governor of the Banque de France, Moreau, in a controversy with Sir Henry Strakosch in *The Times* in January 1932, lay in "British presumption" in endeavouring to re-establish the pound at par without any adequate economic basis. "The principal cause" of the crisis, explained the French financier and politician, Caillaux, in a lecture on "The World Crisis" to the Royal Society of Arts in London in March 1932, was not "the defective working of the monetary mechanism" or "the distribution of gold," but "a superabundance of mechanical appliance." The solution of the crisis, argued the same authority in an article on "L'Avenir de l'Europe" in the French financial journal *Le Capital* in the beginning of the year, lay in the extended colonial development in Africa. The solution of the crisis, declared the protagonist of Pan-Europe, Count Coudenhove-Kalergi, in an article in the Vienna *Neue Freie Presse* in the same month, lay in the return of the former German colonies to Germany. The cause of the crisis, declared the White Guard propagandists, lay in the Soviet Union, and its solution in the conquest of the rich territories there to be exploited.

And so on without end, to take only a few examples of leading opinion, without taking into account the myriad patent medicines of the faddists and the cranks. The bourgeois "theories" of the crisis thus simply reflected the march of capitalist politics in the crisis, and transferred to the ideal plane the sharpening imperialist antagonisms.

“To improve the moral and political relations of France and England by bringing them into greater intercourse and increased commercial dependence I would walk barefoot from Calais to Paris.”

(quoted in W. E. Williams’ *The Rise of Gladstone to the Leadership of the Liberal Party, 1859--1868*)

The faith in the international unifying role of capitalist economic relations which here finds expression has long vanished. It is the custom to-day for those who have succeeded Cobden and Gladstone as the leaders of capitalism to sneer at the vulgar shopkeeper illusions of their predecessors. But in fact those illusions of trading, manufacturing cosmopolitanism were by comparison more generous than the typical militarist, usurer, freebooting outlook of modern imperialism. The Liberal bourgeoisie of that age, even while they pursued the policy which corresponded to the interests of their domination and maximum exploitation of the world, believed that the realisation of the goal of universal free trade and international capitalist relations at which they aimed would shatter national frontiers and lead to world peace, harmony and unity—“the parliament of man and the federation of the world.”

Very different was the outcome from their dreams. Liberal capitalism, by its own inner laws of development, through the very process of accumulation and concentration of capital to which the system of *laissez-faire* gave free play, gave birth to monopoly-capitalism or imperialism. The politics of monopoly are by its very nature different from those of Liberal free trade. In place of pacific trade penetration on a basis of free competition, the policy of monopoly is the policy of exclusive domination, and is thus increasingly the policy of conquest and violence, of the use of political power and armed power to promote economic ends. The export of capital, as opposed to the simple sale of goods, requires in the last resort political domination to ensure the regular payment of its tribute. The fight for colonial areas of exploitation requires increasing armed forces,

not only for the conquest and subjection of the colonial peoples, but still more for the conflict with rival imperialist groupings. Thus the State, with all its diplomatic and military power, becomes ever more closely associated with the operations of monopoly-capitalism. *Every fact of monopoly-capitalism becomes essentially an act of politics*, involving either openly or in the near background the armed power of the State. The day of "pure economics" is over. (Hence the *naivete* and blindness of those professional economists who in the age of imperialism complain of the intrusion of "political factors" as cutting across their dream of a "pure" "economic" capitalism.)

While the old forms of competition do not disappear with the development of monopoly, but continue alongside it, the advance to monopoly means the advance to new and intenser forms of competition and conflict. Competition develops from the relatively peaceful undercutting rivalry of individual merchants and manufacturers to the terrific conflict of modern highly organised concentrated States, using every weapon of armed force and unscrupulous diplomacy, and culminating in world war. The greater the scale of capitalism, the greater the concentration, the more intense grows the conflict, the more violent and desperate the means employed; as the power of production grows greater, the available markets relatively diminish, the competition of exports increases, and the spheres of the earth's surface for the supply of raw materials and for new exploitation are all marked out.

The age of Cobden and peaceful politics gives way to the age of Chamberlain and aggressive imperialism. The age of Chamberlain gives way to the age of Lloyd George and the world war. The world war gives way to the nightmare politics of the post-war period of Versailles, reparations, inflation, counter-revolution, Fascism, Mussolini and Hitler.

Capitalism reveals itself in fact, with the increase of concentration and the power of production, not as a growingly harmonious and organised system of

world production, but as a growingly violent system of antagonisms. The inequality of capitalism grows continuously greater : the rich grow richer and the poor poorer; and the capitalist nations and States themselves become increasingly differentiated into the more and less successful in the scramble for the division of the world, with a growing gulf between them, and a continual diminution in the ranks of the independent exploiter states as nation after nation becomes openly or hiddenly subject to the stronger.

Thus the dream of world unity through capitalism already received its death-blow with the opening of the age of imperialism.

Nevertheless, this real state of affairs remained partially hidden from general recognition, not only during the "armed peace" which preceded the war, but even after the war. The conception that through the operations of world capitalism, of international capitalist finance, of international trusts, etc., the economic bonds were being drawn closer for world peace and world unity continued to find expression. The reason for this lay in the dual character of the process of imperialism. On the one hand, the operations of imperialism did draw closer, at any rate until the most recent period, the economic network of the world and carried still further the international division of labour, even though on an antagonistic basis of exploitation and subjection. On the other hand, the development of imperialism meant the rising antagonism and conflict of the rival imperialist groupings, expressed in intensifying trade war, tariff wars, struggle for concessions and areas of exploitation, and ultimate armed conflict. These two tendencies were not opposing tendencies, but the two sides of a single process. And it was the character of rising antagonism that was the decisive character.

The mythical conception of a growingly harmonious "international" capitalism, upon the basis of the uniform gold standard and the increasingly intricate network of financial interrelations across State frontiers, was wide-spread before the war. "Capital knows no country," as the half-true saying goes, and

flowed easily across the world in the search of the maximum profit. But even the degree of stability and apparently harmonious working of the pre-war system, which provided the basis for these illusions of a growing world harmony, was in reality based upon a temporary and rapidly disappearing foundation of the British pre-war financial supremacy. London was the still unchallenged financial centre of the world. Britain was the world's creditor, and continuously absorbed its tribute, either in reinvestment or in the rising excess of imports. As the Memorandum of the Federation of British Industries on Monetary Policy, issued in 1933, declared after the event with a considerable measure of truth :

“ The world gold standard as it operated in the pre-war period was in fact predominantly a sterling standard.”

The same Memorandum continued with the complaint that this system was “shattered beyond recall” by the appearance of rival imperialist Powers challenging the British supremacy :

“ The uncontrolled association, through the gold standard of other countries having independent national plans, such as France and Germany, with the British plan was an unstable and highly artificial economic phenomenon. The war shattered that association, probably beyond recall. The emergence, since the war, of the U.S.A. as a leading creditor country has still further complicated the situation.”

“The breakdown of the gold standard in Great Britain in September 1931, marks the final failure of the attempt, probably foredoomed from the first, to recreate after the war the pre-war international monetary system.”

The apparent stability of the pre-war system was in fact the reflection, not of harmony, but of British supremacy, which was not yet broken, though increasingly challenged. To this extent the full effects of the rising antagonisms, which [were eventually to

disrupt the stability, were still partially veiled from view in the pre-war period.

These conditions could no longer continue in the post-war period. The British supremacy was broken. The fight of the imperialist *blocs*, and in particular of London, Paris and New York to be the world's financial centre, was open. The conditions for stability had vanished.

Nevertheless, this situation was also veiled for a short period during the phase of temporary stabilisation, which once again gave rise to even reinforced illusions of a growing "international" capitalism. The theory of "ultra-imperialism," or the supposed advance to a pacific world unity of imperialism (further discussed in the next chapter), found ready soil. The International Bank, or "Bank of International Settlements," promulgated by the Young Plan in 1929 and set up in 1930, was regarded as the nucleus of an internationally directed world financial centre. The Young Report declared :

" In the natural course of development it is to be expected that the bank will in time become an organisation, not simply or even predominantly concerned with the handling of reparations, but also with furnishing to the world of international commerce and finance important facilities hitherto lacking. Especially it is to be hoped that it will become an increasingly close and valuable link in the co-operation of central banking institutions generally, a co-operation essential to the continuing stability of the world's credit structure."

In fact, even the process of setting up the International Bank, and the question of its site, revealed the sharp battle of New York, London and Paris ; while the immediate sequel to its establishment, so far from seeing a greater "stability of the world's credit structure," saw its greatest collapse since the war.

A leading German financial authority wrote in 1925:

" The solution of the problem of competition is not to be found in the strangling of productive

forces....Rather must it be sought in the international organisation and rationalisation of the processes of production. That which is so obvious in the case of the *Deutsche Werft*—the technical superiority—must be made determinative in international production; not as though every nation formed a closed economic unit to itself, but instead by a common understanding on the basis of the international division of labour. The tendency towards 'national economic dictatorship at any price' must be abandoned, and each economic unit return to the form of production to which it is naturally predestined."

(DR. OSKAR MOHRUS, Manager of the Dresdner Bank's
Financial and Statistical Department, in the
Financial Times, May 4th, 1925)

Here under the form of a plea for the "international organisation of production" the illusion of any such conception of an agreed international capitalist organisation is revealed. For the actual substance behind the professed plea for "international organisation" is the demand that the "technical superiority" of German industry shall be recognised and given the place in the world market that it merits. The "international" plea is the cover for the offensive of a particular section of monopoly capitalism. Despite the declarations against "closed economic units" and "national economic dictatorship," the "international" line of the Dresdener Bank necessarily finds its final outcome in the line of Hitler and Schacht.

Even as late as 1931 the illusion that a new basis of permanent stability and world financial interdependence had been achieved, ruling out the possibility of the use of "political and military power" for economic ends, found expression in the following statement of the British publicist, Norman Angell (who has continued in the post-war period, as in the pre-war period, to endeavour to apply the conceptions of free trade capitalism to the

conditions of imperialism, and on this basis to urge the supposedly mistaken character of the violent and military policies of imperialism) :

“Political and military power can no longer be used as an instrument of economic exploitation. Speaking broadly, you cannot in the modern world of an international gold standard, an interdependent world-wide banking system, international trusts, international cartels, use military force to seize wealth and transfer trade as you once could.”

NORMAN ANGELL, in *The United States and Great Britain*, a symposium published by the Chicago Council of Foreign Relations, 1932)

This contribution was dated May 25th, 1931. In September 1931 Britain went off the gold standard. the “modern world of an international gold standard” passed out of view, and Japan seized Manchuria by military force for purposes of economic exploitation, subsequently using its military control to establish a Government oil monopoly in defiance of British and American protests.

In reality even the short-lived phase of temporary stabilisation in the post-war period also, as in the pre-war period, reflected the temporary predominance, although on a much more unstable basis, of a particular monopolist grouping, American capitalism. Between 1925 and 1930 the United States replaced Britain as the world's largest foreign investor. But this lead was far from secure; Britain, which still retained the position of holding the largest total of overseas capital, was straining every nerve to re-establish its lead in the export of new capital; and the instability of the whole basis was revealed in the subsequent crash. When the outward flow of American capital dried up, the gold standard crashed.

The effects of the world economic crisis shattered the post-war illusions of the growth of “international” capitalism or supposed development of capitalism towards closer international unity and interweaving of interests. The war of the imperialist blocs was

laid fully bare. The uniform gold standard gave place to a battle of competing currencies. Trade wars and tariff wars were carried to an intensity of new forms previously unknown. The tendencies to "isolationism" or so-called "national self-sufficiency" or "autarchy," that is, to closing in of the monopolist areas in order to strengthen the economic and strategic position for the world conflict, became strongly marked, alike in Nazi Germany, in Roosevelt America and in the policies of the National Government in Britain. For a period even a reverse tendency set in, from that characteristic of the phase of stabilisation, towards a breaking up of the world market and heavy reduction of international trade, and towards a drying up of the flow of capital export. The future of these tendencies is bound up with the general development of the international situation as a whole. What is evident is that the economic and political war, preparing ultimate armed war, of the rival imperialisms has reached an extreme intensity and openness.

2. The War of the Monopolist Blocs And the Restriction of Production and Trade

The character of the present stage of capitalism, after the ending of the phase of temporary stabilisation, is thus one of intensified antagonisms and instability.

At the root of the whole process is the increasing war between the expanding productive forces and the restrictive shell of capitalist relationships. From being in its early stages the main locomotive of development of the productive forces, capitalism in its era of decline has become more and more visibly a fetter on the further productive development that could now, with the present degree of knowledge and technical advance, be rapidly achieved if the obstacles of private property relationships were removed.

Speaking at a dinner of the British Chemical Manufacturers' Association in February 1935, Lord

Melchett, the head of Imperial Chemical Industries, declared :

"I do not think any technical man would deny that it is physically possible to double the production of every important raw material and every important manufactured commodity within a period of the next ten years. It is a perfectly practical problem from a purely technical point of view.

"If that be true, why should not the world very rapidly become twice as prosperous as it is to-day? The outstanding and obvious reason is that we have no economic machinery capable of expanding at anything like that rate."

Very different was the actual policy of capitalism in the face of these enormous possibilities of productive development, capable of rapidly removing poverty throughout the world. As Roosevelt declared in his presidential election campaign in 1932.

"Our industry is already built up. It is a question whether it has not been built up too much. Whoever wants to build new factories and new streets, and to organise new trusts, would be more of a hindrance than a help to us. The days of the great initiators, of the finance titans, are gone. Our task is not to find and exploit new natural wealth, and not to produce a still greater quantity of commodities, but to learn how to carry on with the existing resources and the existing factories."

(*Franklin D. Roosevelt*, speech at San Francisco in 1932, quoted in Gilbert Seldes' *The Years of the Locust*, p. 233)

Similarly, Neville Chamberlain for the British Government made his declaration at the World Economic Conference in June 1933, that "to allow production to go on unchecked and unregulated in these modern conditions, when it could almost at a moment's notice be increased to an almost indefinite extent, was absolute folly."

These declarations, which can be paralleled on every side in the present period, sound the death-knell of capitalism as a productive form. Their significance is underlined by the simultaneous enormous advance of production in the Soviet Union, where the expansion of production meets no checks in the limits of consumption, since production is socially organised for use. Between 1929 and 1934, according to the report of Molotov to the Seventh Soviet Congress in January 1935, the industrial production of the Soviet Union rose by 229 per cent, at the same time as that of the capitalist world fell by 24 per cent.

The restricted utilisation of the productive forces was a marked feature of post-war capitalism even before the world economic crisis of 1929. "We appear to be in a condition of stability at a level of production considerably below the capacity of the national capital and labour force," declared the London and Cambridge Economic Service Bulletin of March 23rd, 1928. This condition was not confined to Britain. In a survey entitled *America's Capacity to Produce*, undertaken by Edwin G. Nourse and Associates for the Brookings Institution, Washington, and published in 1935, the conclusion was reached that between 1925 and 1929 from 17 per cent to 20 per cent of the capacity of available plant was not utilised. On the basis of careful calculations the authors estimate that technically production in 1929 could have exceeded actual output by 20 per cent, and that the income of 15 million families could have been increased by £1,000 (or roughly £4 a week) each. Between 1922 and 1928 the blast-furnances of the United States were worked at an annual average of 67 per cent of production capacity the percentage for open-hearth furnances was 73·8, for Bessemer steel production 65·4, and for electric furnaces 41·6. In Germany steel production from 1926 to 1929 averaged an annual 86 per cent of producing capacity. All this was during the "boom."

The world economic crisis gave an enormous extension to this failure to utilise the productive forces. In addition to the compulsory idleness of factories, plant, shipping, etc., and of tens of millions of workers,

this period saw inaugurated for the first time on a gigantic scale by all the leaders of capitalism and main governments of capitalism wholesale restriction and limitation policies, made possible only by the monopolist basis or by direct State action, and even actual destruction of raw material and agricultural products, ploughing up of crops, bounties for non-production, dismantling of plant and shipyards wrecking of spindles, etc. The examples of this are well known, and their significance needs no emphasis.

In the period of depression succeeding the crisis the under-utilisation of productive capacity markedly continued. In 1934, according to an estimate of the German Institut für Konjunkturforschung issued in March 1935, 42 per cent of the productive capacity in the United States was unused, 42 per cent in Canada 38 per cent in France, 32 per cent in Italy, 27 per cent in Germany, and 12 per cent in Britain.

While the existing contradictions have forced these reactionary policies of restriction and limitation upon monopoly-capitalism, such policies can provide no permanent solution to the contradictions. On the contrary, the accumulation of capital seeking outlet, no less than the growth of productive power and continuation of the process of rationalisation and speeding up in order to economise in the costs of production, ceaselessly drives to expansion, and beats against all policies of restriction. This drive to expansion finds its expression in the intensified conflict of the imperialist blocs, which reaches to new heights since the world economic crisis. The old trade wars and tariff wars are carried forward to new intensity and take on new forms of elaborate systems of quotas, licences, prohibitions, currency restrictions and every form of direct State action to control the movement of trade, benefit allies and injure rivals.

Through the whole post-war period a long series of international conferences have passed solemn and unanimous resolutions deploring the growth of tariffs and restrictions on trade. Notable in this record have been the resolutions of the Brussels Financial Conference in 1920, the International Bankers'

Manifesto in 1923, the resolutions of the World Economic Conference at Geneva in 1927, the attempted European Tariff Truce in 1930, and the preparatory Committee's Memoranda prepared for the World Economic Conference in 1933 which ended in breakdown. These paper resolutions, reflecting the spurious agreement of the monopolists in deploring each other's tariffs, have been continuously accompanied by the growth of tariffs and restrictions, reflecting the real forces of conflict.

Even in the period of stabilisation between 1925 and 1929, when the argument of currency inequalities and variations as a ground for increased tariffs was largely removed, the average level of tariffs, according to the League of Nations calculations, showed increases in Germany by 29 per cent, in France by 38 per cent, in Belgium by 59 per cent, in England by 112 per cent (actual level from 4 per cent to 8.5 per cent), while in the United States the Fordney-McCumber tariff on 1922 had already established a crushing increase. By 1927 the average *ad valorem* tariff on manufactured goods stood at 20 per cent in Germany, 21 per cent in France and 34 per cent in the United States.

The effects of the world economic crisis enormously carried this process forward. The United States led the way with the Smoot-Hawley Tariff Act of 1930, which imposed heavy increases and evoked protests from twenty-nine Governments. In 1932 Britain adopted general protection, followed by the Ottawa agreements. In the same year France both raised its import duties and established a system of quota restrictions on a large variety of manufactured and semi-manufactured articles. In September 1932 Germany adopted a new tariff with an increase of duties in many cases by 100 per cent. The succeeding years have seen the development of a large network of restrictions leaving the old tariff methods far behind, not only through devices of emergency tariffs, which can be imposed or increased by administrative decree, but still more through systems of quotas, prohibitions, and foreign exchange restrictions, as well as through the fetters of bilateral trade agreements.

In 1926 the so-called International Bankers' Manifesto, signed by a host of leading names of bankers and trust magnates in Britain, and to a lesser extent in other countries, had issued "A Plea for the Removal of Restrictions upon European Trade." "Production as a whole has been diminished," urged the Manifesto, on account of "false ideals of national interests" regarding "trading as a form of war." It wound up with the call:

"The establishment of economic freedom is the best hope of restoring the commerce and the credit of the world."

Sufficient comment on the value of this Manifesto is afforded by the fact that its signatories, the knights of this crusade for "economic freedom," were precisely the leaders of monopoly-capital, a Morgan, a Finlay, a Schacht, a Vickers or a Weir, who were not only actively engaged in stamping out the remains of freedom of competition at home, but were equally the most active in pressing forward trade war abroad, and in all their respective countries, except Britain at that stage, were directly upholding heavy tariffs.¹

Four years later, in 1930, the British bankers (alone this time and without any international allies) issued a new manifesto in which they disclaimed the old. They said:

"Bitter experience has taught Great Britain that the hopes expressed four years ago in a plea for

1. Needless to say, the organs of reformism throughout Europe found in this Bankers' Manifesto fresh proof of the triumph of "international capital," displacing the previous divisions of capitalism. Thus the *Daily Herald* wrote in its editorial on October 20th, 1926, with reference to the Manifesto."

"The trusts themselves are becoming international. This is the internationalism, not of labour, not even of Manchester commercialism, but of international finance seeking a new means to the stabilisation of capitalism. There is to be no longer competition, but co-operation in the double exploitation of the workers as producers and as consumers."

The subsequent events, no less than the fate of the Manifesto, have sufficiently answered this failure to understand the real character of imperialism as a system of antagonistic groupings of monopoly capitalism, whose advance increases, instead of diminishing, the inner divisions and conflicts of capitalism.

the removal of restrictions upon European trade have failed to be realised.

"The restrictions have been materially increased, and the sale of surplus foreign products in the British market has steadily grown.

"While we retain the hope of an ultimate extension of the area of free trade throughout the world, we believe that the immediate step for securing and extending the market for British goods lies in reciprocal trade agreements between the nations constituting the British Empire.

"As a condition of securing these agreements Great Britain must retain her open market for all Empire imports, while being prepared to impose duties on all imports from all other countries."

This marked the turning-point for British policy. By the imposition of a complete tariff in Britain 1932, and by the Ottawa agreements of the same year endeavouring to draw a fence around the Empire, the last remains of free trade vanished from the earth. The fight of imperialism had entered on a new intensity.

The rising struggle of each imperialist Power since the world economic crisis to force down imports and force up exports resulted in an intensity of contradiction which reflected itself in the falling figures of world trade even after the lowest depth of the crisis had been passed. The total of world exports, measured in millions of gold dollars at the old parity, fell from 33,021 in 1929 to 26,483 in 1930, to 18,908 in 1931, to 12,895 in 1932, to 11,740 in 1933, and to 11,364 in 1934, or one third of the level of 1929. This gold valuation, however, to some extent exaggerates the drop; in terms of sterling, it represents a drop of 45 per cent, and, allowing for price changes, it represents a drop in physical volume of 22.5 per cent (*Review of World Trade*, 1934, League of Nations, 1936).

Already by 1931 the leading London financial organ, the *Economist*, was lamenting (in its issue of November 7th, 1931):

"Cabinet after Cabinet all round Europe is seeking desperately to 'correct the balance' by restricting imports and encouraging exports by all means in its power. The spectacle of Europe is one of a group of countries all straining their efforts to sell, in order to meet foreign obligations, yet preventing other nations from attaining the same object by selling to them. Along that path lies ultimately the cessation of international trade and the bankruptcy of the world."

In fact, however, this abstractly logical continuation of the line to zero and "the cessation of international trade and the bankruptcy of the world" leaves out of account the real forces of imperialist conflict. As the subsequent years have abundantly shown, the increasing drive to so called "national self-sufficiency" is by no means a drive to isolation and the cessation of international contact; it is, on the contrary, the drive to intensified conflict for the conquest of the world market, and, above all, the economic and strategic preparation for battle for the domination of the world.

3. The Currency War: Sterling—Dollar—Gold

A special aspect of the present stage of imperialist relations, and of the existing instability and disintegration, is the currency conflict. This aspect reflects all the existing imperialist antagonisms, and especially that one which is the most important and finally dominant, the Anglo-American antagonism.

The war threw down London from its international financial domination, but without establishing New York securely as its successor. When the pound was "unpegged" after the war from its artificially maintained war-time parity with the gold dollar, its weakness was at once apparent. But the report of the Cunliffe Committee in December 1919 definitely set the aim to re-conquer the old position:

"Increased production, cessation of Government borrowing and decreased expenditure both by the

Government and by each individual member of the nation are the first essentials to recovery. These must be associated with the restoration of the pre-war methods of controlling the currency and credit system of the country for the purpose of re-establishing at an early date a free market for gold in London."

(Final Report of the Committee on Currency and Foreign Exchanges After the War, 1919)

Britain strained every nerve to re-establish the old basis. While the other European countries met their post-war difficulties by inflating and depreciating their currencies, in Britain the opposite course was pursued, and by 1925 the pound was finally re-established at the old gold parity, even though at the cost of laying heavy burdens on home industry and on the workers and doubling the incomes of the rentier sections. The governing objective of this policy was the fight against the United States for world financial domination. In restoring the gold standard, the British Chancellor of the Exchequer, Churchill, explained in Parliament in the debate on May 4th, 1925, on the question of the restoration of the gold standard and the danger of dependence on the United States:

"It would be impossible for London to retain its position as the centre of the British Empire and world finance unless it were able to march 'with the movement in the direction of establishing a common foundation for all international transactions. ... We were often told that the gold standard would shackle us to the United States. It would shackle us to reality."

And again:

"Whether we went on the gold standard or not, our interests were profoundly and intimately involved in those of the United States. Therefore it was not a question of whether the return to the gold standard made us dependent on the United States, but whether it made us more dependent, or

dependent in an unhealthy or subservient manner. The answer to that question seemed to depend on whether we would ourselves be stronger on the gold standard or not.

"Britain and her Dominions together constituted an enormous power, a power so great and so comprehensive that it was strong enough to exist side by side in amicable association with even a larger economic and financial power without prejudicial effect."

Seven years later the same Churchill was to declare in Parliament on May 8th, 1932: "It was the hideous process of deflation which was the main cause of our troubles."

The British return to the gold standard at the old parity has been widely criticised as the original sin of British post-war finance; and indeed its sequel was disastrous enough. But in fact this policy was rendered inevitable by the conditions of the fight against the United States at this stage. The alternative would have been the loss of control of the Empire by the attachment of the Dominions to the dollar. As the *Economist* stated in a later discussion (in its issue of February 21st, 1931) on the causes of the return to the gold standard:

"The last straw that turned the scale was the urgent representations of the Dominions, one of whom had already decided and another of whom had indicated its intention to take a step which would have tied them monetarily to the dollar and divorced them from the pound if Great Britain had hesitated."

Devaluation would have undoubtedly been easier:

"It would have undoubtedly eased our problem if we had devalued the pound and returned to gold at, say, dollars 4.40 to the £."

But the decisive issue was the fight against the United States:

"The mere suggestion of devaluation created abroad a distrust of London and weighted the scales against us in the struggle between New York and London—the issue of which was still in doubt—for commercial and financial predominance."

But the actual stronger position of the United States was not overcome by the British return to gold. As the *Financial Times* declared at the time on April 28th, 1925: "Even if America is the predominant partner in the gold standard alliance, she will find it to her interests to use her power with discrimination and benevolence." The real weakness of the British position, whose declining economic basis could not maintain the pound at the old parity, was exposed in the years 1925—1931. Despite all the efforts of Britain, the American export of capital amounted to very nearly double the British in these years. During the four years 1925 to 1928 American new issues of capital abroad amounted to an annual average of 1,100 million dollars, against a British annual average of 650 million dollars (U.S. Commerce Reports, May 13th, 1929). In 1928 the American figure stood at 1,251 millions, the British at 698; in 1929 the respective figures stood at 671 and 459, in 1930 at 905 and 529; only in 1931 after the collapse the American figure had fallen to 229, while the British was 209, and by 1932 the American total had vanished to 29 millions, while the British was 102 millions (League of Nations *Balance of Payments*, 1931—1932). The total of American foreign investments rose from 8,522 million dollars in 1922 to 12,187 millions in 1927 (estimate of the U.S. Department of Commerce, Finance and Investment Division, in the Hoover Committee Report, *Recent Economic Changes in the United States*, 1929, Vol. II, p. 727). By 1928 the gross total of American private investments abroad was estimated by Dr. Max Winkler (*The Ascendancy of the Dollar*, Foreign Policy Association Information Service Supplement, New York, March, 1929) at 15,600 million dollars. In the same year the British total was estimated by Sir Robert Kindersley (in the

Economic Journal for March 1929) at £3,990 millions, equivalent to 19,930 million dollars. By 1931 Dr. Winkler's estimate of the American total was 17,968 million dollars.

At the same time, American holdings of gold in central banks, which had risen from the equivalent of £520 million in 1919 (against £392 million in 1913 for gold in central banks and in circulation) to £819 million in 1925, stood at £833 million in 1931. The total British gold holding, which stood at £120 million in 1919 (against £150 million in 1913 for the combined gold reserve and gold in circulation), and had risen to £145 million by 1925, fell to £121 million by 1931.

But the decisive sign of the weakening British position during this period was the fact that the trade balance, with falling exports and rising imports reflecting the declining and parasitic situation of British capitalism, was not able to stand the strain of the continually pressed forward export of capital. By 1930 the net credit balance had fallen to £28 million. Yet in the same year new overseas investments amounted to £108 million. By 1931 the credit balance had given place to a net debit balance of £104 million. Yet new overseas investments were made to a total of £46 million. The crash followed in 1931. The first stage of struggle with the United States had ended in a confession of bankruptcy.

It was at this point, with the collapse of the gold standard in 1931, that British policy turned to an alternative method of combating the dominance of the dollar. Since America held all the trumps in the battle of gold, British policy went "no trumps," and was eventually so successful as to force the United States to follow suit. The depreciation of the pound was used as the new weapon to combat the supremacy of American exports and build up the British trading position. Sterling became the banner to draw to itself increasingly the greater part of the world against the gold countries. America, thrown at a disadvantage, began to sue and to beg Britain for stabilisation, but was met with stern and discouraging replies. "If Washington is extremely anxious to get London back

on gold," declared the *Daily Telegraph* on January 9th, 1933, "let Washington realise that the preposterous maldistribution—and sterilisation—of gold connected with the payment of war debts is one of the principal causes of the existing depression." America sought to use the weapon of the war debts to compel the return of sterling to gold. Britain replied through the speech of the Chancellor of the Exchequer, Neville Chamberlain, at Leeds on January 24th, 1933, that payment could only be made "either by depreciating the currency or by increasing the tariff against AmericaI am not using threats." The battle went on through the Preparatory Committee of the World Economic Conference. The British Government laid down four conditions for stabilisation :

- (i) a final and satisfactory settlement of the debt question;
- (ii) the restoration of satisfactory trade balances by the lowering of tariff barriers;
- (iii) a rise in the level of wholesale prices;
- (iv) guarantees against any repetition of the circumstances that forced Britain off the gold standard; that is to say, in particular, the unequal distribution of world gold reserves.

In this second stage of the struggle Britain was winning the upper hand, with its partial economic recovery on the basis of the initial effects of currency depreciation and tariffs, while America was entering into the most critical stages of its internal economic crisis.

At this point the United States, baffled in its attempts to enforce stabilisation on sterling, made its counter-coup. In April 1933, the dollar, backed by the strongest gold reserves in the world, was taken off gold. Legislation was passed opening the way to depreciation up to 50 per cent. The tables were turned. It was now the turn of Britain to press for stabilisation at the World Economic Conference,

and for America to refuse. President Roosevelt's message to the Conference, banning any question of stabilisation, was followed by the rapid break-up of the Conference. While Britain and the Gold *bloc* united to make a declaration, rejected by the United States, in favour of a future return to stabilisation on the basis of gold "as quickly as is practicable," Britain and the Dominions united to make a declaration in favour of a common monetary policy based on sterling.

Thus the third stage of the struggle had now opened, which still continues at the time of writing, with three main participants: Sterling (the British Empire with a further series of satellite and associated countries); the Dollar (the United States with its range of influence in the American continent); and the Gold *bloc* (France with associated countries). Of these the Gold *bloc* visibly weakened, as the struggle continued, with Belgian devaluation in 1935 and the prospect of devaluation in France.

The aim of the so-called "Sterling *bloc*" as the expression of British world leadership began to be increasingly voiced in British official and semi-official utterances. Already by January 1932 *The Times* was speaking of "the possibility of the greater part of the world being willing to adopt sterling" as the international standard, and in May 1932 was advocating, in connection with the Import Duties Advisory Committee, a "plan" of a grandiose "economic unit" to extend far beyond the bounds of the existing Empire:

"No one pretends that the policy of beginning with national security, going on to imperial co-operation, and ending with the formation of an economic unit far beyond the bounds of the political Empire, will be carried out easily; but the existence and the actions of the Committee will facilitate rather than obstruct such a plan."

The Federation of British Industries in 1933 specifically set out the aims of "a new world financial system" based on sterling:

"Our immediate effort should be directed to building up a British system based primarily on the Empire, and secondly on such other countries as desire to come into some system related to sterling, in the hope that this may provide a reasonable measure of stability and prosperity for Great Britain and the Empire and in due course from the nucleus of a new world financial system."

(Memorandum of the Federation of British Industries on Monetary Policy, 1933)

Thus the currency war to-day reflects the widest generalised expression of the war of the imperialist blocs, and especially the basic Anglo-American antagonism, just as the collapse of the gold standard demonstrated the impossibility of any permanent imperialist co-operation. The attempts to reach once again a temporary stabilisation will undoubtedly be renewed; but even in the still doubtful event of such temporary stabilisation of currencies being achieved, it is obvious that its basis, with the existing uneven and rapidly changing relations of forces, will be even more precarious than the last.

4. *The Economics of War and Rearmament*

The whole of capitalist economy at the present stage has thus reached to the extreme of antagonisms in every sphere and of advance to war. Trade war, tariff war, currency war, the ever-sharpened struggle for markets, for gold, for raw materials, for colonies, the slogans of "national self-sufficiency," of "autarchy" of closed-in empires and blocs, economically and strategically prepared for war—these are the characteristic features of the present stage which has succeeded to the world economic crisis.

The culminating phase of this process at the stage reached to-day, alongside the actual outbreak of regional wars in the Far East and in Africa, is the

rearmament of the Great Powers in preparation for the supreme conflict, which is now in full swing in all the leading countries. Rearmament and strategic economic preparation become to-day more and more visibly the dominating feature of the present stage of capitalist economy. And this in a wider sense than the immediate expanding armaments programmes. For the character of modern war, of "totalitarian" war, requires that the entire economy, the entire organisation of industry and of man-power, shall be organised for the purposes of war. The process of rearmament is in its full significance considerably more extensive than the immediate building and expansion programmes which occupy the forefront of attention and most conspicuously reveal the reality of what is going forward. The process of rearmament is not covered only by the military budgets; and its traces are to be found in every activity of the State and of the leading forces in finance capital to-day.¹

1. A passing example at random may be taken from the following recent speech of a Minister of the National Government in Britain :

"Lord Eustace Percy, Minister without Portfolio, speaking at the annual dinner of the North-East Coast Engineering and Shipbuilders' Association at Newcastle last week, said that during recent years of depression these great industries had ceased very largely to recruit skilled labour, as they used to do, so that at present the national welfare and national defence rested upon a smaller reserve of skilled labour than ever before in the history of the country. The question they had to solve with local authorities and with their politicians was how were they to build up now--because the time might be short--that reserve of skilled labour based upon an assured continuity of employment which was the basis of national welfare and which might be in a few years the basis of national defence. There was not only the question of mere engagement of labour from the schools, but the permanent retention of recruits. These were the problems they had to consider, and which politicians had to consider."

(The Times, February 26th, 1936)

In this small item the whole parasitism and decay of post-war capitalism is typically expressed. For sixteen years of continuous decline the finest body of skilled workers in the world is allowed to dwindle, their energies and capacities largely unused, and even the apprenticeship system to pass on their skill to their successors allowed to fall into decay, so that a

The militarist-Fascist States, Germany, Japan and Italy, are the most open and thoroughgoing in carrying through this "totalitarian" programme. But in their own fashion the more complicated mechanisms of British or American capitalism are through a transformation which ultimately leads in the same direction. *It is this process of the increasing adaptation of the entire economy of the modern States for war that is the most characteristic, the most typical, feature of the present latest phase of capitalist economy.*

This accelerated advance to war, following the world economic crisis and subsequent depression, and accompanying the present process of partial recovery, is as necessary, a working out of the inner forces of imperialism at the present stage as each preceding stage of the post-war development has been. For the effects of the world economic crisis, as we have seen, destroyed the basis of stabilisation, enormously intensified all the economic conflicts of imperialism, and gave rise to extreme political instability through the desperate search of each imperialism for its own strengthening and means of expansion at the expense of the remainder. This rising antagonism of all the imperialist Powers, and the advancing challenge of the less favourably placed imperialist Powers, for battle for the new division of the world, increasingly drives to war as the outcome.

This is the basic cause of the drive to war. But there is also an additional factor of the direct drive for profits through the process of rearmament and war which plays its role in the present situation. For while a certain measure of cyclical recovery from the economic crisis has been achieved, this measure of recovery is marked by its extremely

younger generation grows up without the skill of their fathers. During all this process of decay not a dog barked in the capitalist camp; economic forces were left to take their course. But so soon as it comes to the tasks of war, of destruction, all capitalism awakens to the need for skilled workers. Truly of canalism it may be said; "We have made a covenant with death, and with hell are we at agreement."

uneven and limited character. The basic contradictions which caused the crisis remain unsolved; the surplus productive capacity under existing condition still seeks adequate outlet; there is still a considerable volume of capital, as of labour-power, unemployed. Since adequate constructive outlet on any larger scale is limited by the conditions of capitalism, by the intensified fight for the world market, and by the growing impoverishment of the masses in the colonial countries, the possibility of finding a scope for such capital and winning a profit through the processes of rearmament and war, that is through turning an increasing proportion of the rising productive forces to destructive uses, begins to find increasing favour in capitalist circles; and even pseudo-economic arguments begin to be adduced in favour of such a process as a "stimulus" to "recovery."

Thus the retrograde role of modern capitalism in strangling the development of the productive forces is carried to an extreme stage. The processes of direct destruction of goods and of means of production, as well as of restriction of output and of expansion of production, characteristic of the later stages of the crisis and still continuing to-day, could only serve the purpose of temporary and partial emergency measures, since, even while assisting to restore or increase the rate of profit on a considerable proportion of existing capital, they could provide no scope for capital expansion. The ultimate completion of the process begins to be seen more and more consciously by powerful section of capitalism as war—not yet immediately as world war, but at first, in the view of each particular capitalist group, as a "brisk little local war" in some other region of the world, combined with profitable war orders and enlarged armaments programmes in their own countries. Each advance of war in one or another part of the globe, each advance of tension, and each advance of rearmament, is accompanied by a rise in the values of leading shares on the Stock Exchanges of the world. Keynes remarked on the tendency of opinion in his book, *The Means to Prosperity*, issued in 1933: "Cynics.... conclude that nothing except a war can bring a

major slump to its conclusion." In *The Economics of Re-armament*, published in 1934, the financial publicist, Paul Einzig, expressed the argument with all the lucid logic of insanity :

"Until comparatively recently it was considered the supreme task of mankind, in the sphere of economics, to produce more so as to be able to improve the standard of living of consumers. Any raw material and labour spent on armament was considered a dead loss because it reduced the volume of goods available for consumption. At present, however, thanks to scientific inventions and the application of more efficient methods of production that has to make desperate efforts to keep up with consumption: it is consumption that is lagging far behind productive capacity, and even behind actual production. In such circumstances disarmament means the reduction of the world's capacity and willingness to consume, while re-armament means an increase of that capacity. All re-armament does is to absorb part of the surplus products which would otherwise be unsaleable in our present economic system. So long as the problem of adjusting the world's capacity of consumption and the world's capacity of production to each other is left unsolved, any demand for goods, however artificial and unproductive, is calculated, on balance, to benefit trade."

(Paul Einzig, *The Economics of Re-armament*, 1934)

The author agrees that "there are better ways of stimulating the demand for goods than through rearmament"; but these are "beyond the bounds of practical politics," since "the money which is made available for armament expenditure is not forthcoming for such productive purposes." "In our absurd economic system," Dr. Einzig argues, "a war is capable of bringing an economic depression to an end." Such is the reasoning of this financial theorist. The ultimate falsity of this reasoning in the long run, even from the standpoint of a functioning capitalist economy,

is manifest. But what is important is the immediate attractive power of this short cut to profits for important sections of finance-capital.

There is no doubt that in all countries a part, and in such countries as Germany and Japan the leading part, of the process of partial "recovery" and expansion of production in the recent period, is directly connected with the advance of rearmament and war. In June 1935, the *Economist* noted:

"There is one sinister factor in the situation which suggests that part of such recovery as has in fact taken place is artificial and neither permanent nor healthy. We refer to the economic influence of rearmament. Readers of our foreign correspondence columns must have been struck by the fact that for months past constant reference has been made to the stimulating effect of armament orders in Europe. America and Japan, and that in Europe there are many cases where the 'rearmament industries' are the only ones that are doing well. In Germany this military demand is exceptionally important, both because of the scale of her rearmament and also because it involves not merely increased current expenditure but also expenditure on capital equipment such as barracks, a new Air Ministry, munition-making plant, aerodromes, etc.—needed for re-creating the military machine. But the case of Germany differs from that of other countries only in degree.

"We have described this tendency as sinister, because nations will obviously be particularly reluctant to diminish orders of this kind by agreement if it should emerge that they are the only cause of renewed activity in a world in a state of depression. It would indeed be a paradox if political tension—which has quite clearly been a factor in bringing about the economic crisis and in impeding its cure—should bring into being vested economic interests which depend for their existence on the maintenance of political unrest. Politicians the world over who are working for peace are rightly apprehensive of a situation in which the only

active trades will be those which are making arms."

(*Economist*, June 29th, 1935)

This increasing dependence of the whole economy on re-armament and war is particularly characteristic of the militarist-Fascist States, Japan, Germany and Italy. In Japan military and naval expenditure in 1935-1936 accounted for 46 per cent of the budget, and in 1936-1937 for 58 per cent, even according to the official returns which fall far short of covering all the war expenditure. Already by 1935 *The Times* reported:

"During the past three years war preparations have become, after textiles, Japan's largest industry. Apart from armament and shipbuilding firms, the number of concerns partly, if not wholly, dependent on Government orders for military and naval supplies of every description is immense. An Administration which stopped preparing on a big scale for war would precipitate an economic crisis."

(*The Times*, March 5th, 1935)

In Germany the full extent of rearmament is covered, with secrecy; neither the complete figures of the public debt, nor the budget figures are any longer published. But some measure can be made both from the unofficial estimates in the financial Press of the growth of the public debt, as well as from the enormous growth of new capital expenditure alongside the veto on the expansion of private plant for economic purposes. The *Economist* of June 15th, 1935, reported that, in addition to the publicly acknowledged debt of 13,000 million Reichsmarks, it was "openly bandied about in the Berlin financial markets" that a "secret debt" of 15-17,000 million Reichsmarks had been incurred between 1933 and June 1935, i.e. from £1,400 million to £1,600 million at the current exchange. According to the estimate of Churchill, calculated on the basis of official figures given in his speech in the House of Commons on April 23rd, 1936, the total of German rearmament expenditure in the three years 1933-1935 amounted to £1,500 million, and in 1935 alone to £800 million.

Although this concentration of the entire economy on rearmament and war is a distinctive feature of the Fascist-militarist States, Germany, Italy, Japan and Poland, corresponding tendencies in varying degree may be traced in the other capitalist States. In France in the summer of 1935 an "Extraordinary Loan Budget" was passed, providing for an annual expenditure of 6000 million francs, or £80 million, to finance public works of rearmament. The index of industrial production, which had fallen uninterruptedly for two years, began to rise in the autumn of 1935.

In Britain during 1935 the shares of thirteen representative armaments firms, excluding aircraft firms, rose by £ 16·7 million, from a market value of £ 11·2 million to £27·9 million, or a rise of 149 per cent, while those of established aircraft companies rose by £ 7 million, and new aircraft companies raised £ 7·6 million new capital. Between April 1st, 1935, and February 26th, 1936, the shares of Vickers, of nominal value 6s. 8d., rose from 9s. 9d. to 25s. 6d.; the shares of John Brown, of nominal value 6s., rose from 5s. 1½d. to 22s. 6d.; the shares of Hadfields, of nominal value 10s., rose from 9s. to 23s. The net profits of Vickers-Armstrong rose from £ 543,364 in 1933 to £ 928,105 in 1935, and the ordinary dividend from 4 per cent to 8 per cent, plus a 50 per cent share bonus out of undistributed profits. All this shower of gold from war-preparations and the hope of war took place before the British large-scale rearmament programme announced in March 1936. *"We have made a covenant with death, and with hell are we at agreement."*

The cycle is complete. From the devastation of the world war to the attempted restoration of capitalism. From the restoration of capitalism to the devastation of the world economic crisis. From the world economic crisis to rearmament and renewed war. In this cycle the bankruptcy of imperialism is expressed.

CHAPTER V

Attempt at World Organisation

" Provided that none of the nations wanted war, there was no more potent instrument than the League of Nations for the settlement of international disputes and the preservation of peace "

Sir Austen Chamberlain in the House of Commons,
March 11th, 1935.

The experience of the first world war placed on the agenda of the world for the first time, in a way that no statesman could henceforth ignore, the problem of world organisation. With extreme hesitation and suspicion, under conditions that already from the preliminary negotiations revealed the intensity of the real conflicts and antagonism, the imperialist Powers began to approach this problem in the latter part of the war and in the post-war period. But in fact they failed to reach any real solution of it. The League of Nations may be a milestone on the road, but it is no solution yet of the problem of world organisation. The reasons for this failure lay in the very nature of imperialism, as the analysis of its governing forces in the practical experience of the post-war years, pursued in the last two chapters in both the political and the economic spheres, has endeavoured to make clear. It is in the light of this understanding of the real antagonistic forces of imperialism that we need to approach the problem of world organisation, to understand the reasons for the very limited outcome of the first attempts made during this period, despite the considerable volume of idealist support, and disinterested service that has been given to them, and to draw the necessary conclusions for the future and for the immediate next stage.

1. The Question of the "World State"

The conception of world unity and of ultimate world political unification arose for the first time

from the conditions of capitalism; but it is in profound contradiction with the whole basis of capitalist organisation, property relations, economic political concentrations of power and State-forms. It is of key importance at the outset to clear this contradiction, which is at the root of all the difficulties of the League of Nations and similar attempts, and which, once understood, points the way forward to the necessary conditions of its resolving the future society, as well as to the practical conclusions for the present stage.

A long literary and philosophical pedigree is commonly traced for the conception of world unity and the organisation of a single world community. But this attempt to trace the origin of the conception in pre-capitalist conditions is hardly justified by the facts. While the utterances of ancient philosophers and prophets who looked forward to a golden future of world peace, or who in the present sought to rise superior to local prejudices and proclaimed themselves "citizens of the world," may be quoted, these early attempts to transcend individually the limits of the existing States could only have the significance of that type of prophetic utterance which foreshadows the future but is unable to show the way to its realisation. On the other hand, the examples of wide, all-embracing unitary empires or systems in the past, which are sometimes held up as prototypes of the future "World State," such as the Roman Empire, the Chinese Empire or the underlying measure of unity of mediaeval Christendom, although representing in each case a certain degree of unity of "civilisation" as understood at the time, were nevertheless consciously limited in their scope. The Roman Empire was bounded by "the barbarian." The Chinese Empire was bounded by the Chinese Wall. Mediaeval Christendom only achieved its partial unity in opposition to Islam. A universal world conception was still lacking.

It was only the rise to power of the bourgeoisie, with its drive to trading and colonial expansion, which for the first time brought the entire world within the bounds of human knowledge, created the single world market, and thus laid the foundation for the conception

of world political unification. The first expression of this conception came from the Frenchman, Cruce, in his *Le Nouveau Cynee* in 1623, in which he advocated the formation of a world union of States, including China, Persia and the Indies, to organise free trade among its members, construct interoceanic canals, and maintain peace through a unitary structure including a world assembly and a world court (for a summary account of this and similar projects, see Schuman *International Politics*, pp. 234-237).

The eighteenth-century illumination brought, in reply to the "Project of Perpetual Peace" of the Abbe Saint-Pierre, which was in fact a proposal of a European Holy Alliance to maintain monarchs on their thrones, the well known work of Rousseau, *Extrait du project de paix perpetuelle de M. l' Abbe Saint-Pierre*, published in 1761, which proposed a permanent federation of States, though only a European federation, with a sovereign congress. This line of thought was carried to its highest point in Kant's famous *Zum Ewigen Frieden*, published in 1795, which advocated a universal world federation of republican States, with world citizenship. The international tendency of bourgeois revolutionary thought of this period was illustrated in Tom Paine's election to membership of the French revolutionary Convention, as well as in the young Hegel's welcome to Napoleon's invasion of feudal Germany. Napoleon's own projects included the federation of Continental Europe, which he declared to be the only alternative to Tsarist domination.

Bourgeois internationalism in sentiment reached its highest point with Kant, and thereafter declined, through the dreams of Cobdenism and universal peace by free trade, to the openly reactionary and militarist philosophies of imperialism. After Kant, Hegel reverted to the solid basis of bourgeois rule, the independent sovereign State, representing an absolute end with no higher authority, the relations of States between themselves corresponding to "the state of nature." From this point the line of development of internationalism passed from its early confused forms in the hands of the bourgeoisie, and was carried forward henceforth in the hands of the proletariat, in the

shape of the proletarian internationalism of Marx and international Socialism, or the first fully conscious and fully formed international outlook and the first union of international theory and international practice. It was the impact of this real internationalism, especially through the Russian Revolution, on the existing anarchy of bourgeois State forms, which was the main driving-force to the latter-day bourgeois attempts to elaborate a substitute in the shape of Wilsonism and the League of Nations (with even, thrown into a corner, the official international representation of "labour").

But while the development of world economy through capitalism thus first gave rise to the ideal of world political unification, the real basis of bourgeois rule was in direct contradiction to this. For the bourgeoisie was no united whole, but represented divided and sharply competitive groupings of capital. Each capitalist class in each country fought to win control of its own State mechanism, both in order to maintain its own domination over the mass of the population at home, and in order to strengthen its position and press forward the struggle against its rivals (mercantilism, import duties, navigation laws, colonial wars). Thus the rise of the bourgeoisie, just as it saw the advance of individualism in relations within each State, saw the advance of the doctrine of independent State sovereignty in the relations between States, and the extreme intensification of international antagonisms and anarchy. The bourgeoisie appeared as the bearer of the principle of the "nation-State" in opposition to the feudal mediaeval conception of the hierarchic unity of Europe under Pope and Emperor. *In this way the bourgeoisie, corresponding to the laws of its own system, was destined to create simultaneously a single world economy and the extreme of international anarchy.*

This atomistic principle of the exclusive and unlimited independent sovereignty of each State grew up with the bourgeoisie in opposition to the mediaeval hierarchic system, and has remained inseparably bound up with the conditions of bourgeois rule, that is, with the interests of the particular capitalist groups which control each State.¹ The mediaeval ideal of unity

found its expression in the conception of the subordination of the system of States or kingdoms to the over-ruling authority of Pope or Emperor, although between these two conceptions of the ultimate form of unity there was antagonism (reflected in the struggle of the Guelphs and the Ghibellines). The one conception, of the subordination of all States to the universal Church or Papacy, found its classic theoretical expression in the works of St. Thomas Aquinas in the thirteenth century, especially in the *De Regimine Principum* and the *Summa Contra Gentiles*. The rival conception, of the subordination of all rulers to the single universal Empire, found expression in Dante's *De Monarchia*, written in the early fourteenth century, although not printed till 1559, which was placed on the index of prohibited books by the Papacy. Dante, looking back to the Roman Empire as the lost ideal, proclaimed a universal monarchy or empire as necessary for the well-being of the world, to constitute a power above the conflicts of rival rulers and so preserve universal peace and liberty:

1 This close connection of the historical development of bourgeois rule and the system of independent sovereign States is often ignored by latter day bourgeois theorists who endeavour to shift the responsibility for contemporary international antagonisms and wars from the shoulders of the bourgeois ruling class to an abstraction, "the international anarchy," which is regarded as separate from capitalism. Thus Lord Lothian argues (in the *New Statesman and Nation* of April 27th, 1935):

"It is this anarchy of political sovereignties, not capitalism, which creates and intensifies economic and militarist rivalries. It is the political disunity of mankind which distorts capitalism, not capitalism which creates the anarchy of sovereignties."

This is to put the cart before the horse. It is quite true that political divisions, corresponding to the economic conditions of each period, existed before capitalism. But the modern State organisations have been shaped and moulded by capitalism to meet its needs. The rival finance oligarchies in the different imperialist countries dominate and control the State mechanisms and use them as instruments for the purpose of their conflicts, not vice versa. The "anarchy of political sovereignties" is the reflection of the anarchy of capitalism. Lord Lothian prefers to blame the mirror because the reflection is ugly.

"The human race is at its best State when it is ruled by a single prince and one law. So it is evidently essential for the well-being of the world that there should be a single monarchy or principedom, which men call the Empire. Whenever disputes arise, there must be judgement. Between any two independent princes controversies may arise, and then judgement is necessary. Now an equal cannot rule over an equal, so there must be a third prince of wider jurisdiction who is ruler over both, to decide the dispute. This third ruler must be the monarch or Emperor."

In opposition to this entire outlook of the mediaeval world, the new principles of the rising bourgeoisie, the principles of unlimited State absolutism of the separate States, found expression from the sixteenth century onwards, in Macchiavelli's *The Prince*, in the early sixteenth century, in Bodin's *De la Republique* in the later sixteenth century, and in Hobbes' *Leviathan* in the middle seventeenth century. Macchiavelli, who led the way in proclaiming for the first time with merciless clearness the principles of the new bourgeois philosophy, laid down his well-known political axioms:

"The prince who contributes to the advancement of another Power ruins his own."

"There is nothing so weak as a Power that is not supported by itself, that is to say, that is not defended by its own citizens or subjects...Princes ought therefore to make the art of war their sole study and occupation, for it is peculiarly the science of those who govern."

"A prudent prince cannot and ought not to keep his word, except when he can do it without injury to himself or when the circumstances under which he contracted the engagement still exist."

Here, with the rise of the bourgeoisie, the principles of what is nowadays currently called "power-politics" have found full expression

The conception of the absolute principle of independent State sovereignty found its completed

classic expression in Hegel, the philosopher of the mature bourgeoisie. Hegel's definition of the relation of States between themselves is uncompromising, and left no room for any higher international conception

“With regard to the relation of States among themselves, their sovereignty is the basic principle; they are in that respect in the state of nature in relation to one another, and their rights are not realised in a general rule which is so constituted as to have power over them, but their rights are realised only through their particular wills.

Similarly, Lasson in the same period declared (quoted in H. Lauterpacht, *Private Law Sources and Analogies of International Law*, 1927):

“The moral person which we call the State is at the same time a sovereign person. It is an aim in itself...It is unlimited and unbounded with regard to everything outside itself. The State cannot therefore be subjected to a legal order or, speaking generally, to another will but its own... It is an unbridled will of selfishness...

“Two States are related to each other like two physical forces.”

This conception dominated bourgeois political philosophy without question through the nineteenth century and up to 1914. Thus the leading teacher of English political philosophy in the pre-war imperialist era, Bosanquet wrote in his *Philosophical Theory of the State* (1899):

“It (the State) has no determinate function in a larger community, but is itself the supreme community; the guardian of a whole moral world, but not a factor within an organised moral world. Moral relations presuppose an organised life: but such a life is only within the State, not in relations between the State and other communities.”¹

1. It is interesting to note that in the third edition of this work, published in 1920, the author found it necessary to

Bourgeois individualism is thus writ large in the bourgeois conception of the State. The "international anarchy" is the photographic enlargement of the basic principles of capitalism.

Against this basis the ceaseless idealist aspirations towards international unity, engendered alike by the growing unity of world economy under capitalism, and by the ever more terrible experience of the consequences of the world anarchy and conflicts, beat and batter in vain, so long as they remain within the framework of capitalism. Thus there develops a perpetual dichotomy between Liberal ideology, with its pacific and international aspirations, and the realities of capitalism, to which Liberal ideology remains attached by its navel-string. Gladstone thundered for the "rule of public right" in international affairs and bombarded Alexandria, squith sped on the marching battalions to war with the call to vindicate "the public law of Europe" and to place the rights of the "smaller nationalities" on an "unassailable foundation"—and signed the Secret Treaties. Wilson called for a "new world order"—and signed the Versailles Treaty. The present-day prototype of the Liberal ideologues, H. G. Wells, proclaimed the imperialist war of 1914 as a Holy War, poured scorn on the Marxists who exposed its real imperialist character, and had to confess his error twenty years too late in his *Autobiography* in 1934 :

"My estimate of the moral and intellectual forces at large in the world was out. I would not face the frightful truth."

add a footnote to this passage, dated 1919, to "correct" it in the light of the League of Nations, and to explain further, in a special preface, dated 1919:

"States are diverse embodiments of the human spirit, in groups territorially determined through historical trial and error. Obviously they are units in a world-wide co-operation."

The difference between the axiom of 1899 and the correction of 1919 illustrates the infinite capacity of idealist philosophy to adapt itself to the varying requirements of the successive stages of imperialism.

"The world disaster, now it had come, so overwhelmed my mind that I was obliged to thrust this false interpretation upon it and assert, in spite of my deep and at first unformulated misgivings, that here and now the new world order was in conflict with the old.

"It took me some months of reluctant realisation to bring my mind to face the unpalatable truth that this 'war for civilisation,' this 'war to end war' of mine was in fact no better than a consoling fantasy, and that the flaming actuality was simply this, that France, Great Britain and their allied Powers were, in pursuance of their established policies, interests, treaties and secret understandings after the accepted manner of history and under the direction of their duly constituted military authorities, engaged in war with the allied Central Powers, and that under contemporary conditions no other war was possible."

This disillusionment has not prevented H. G. Wells from continuing to proclaim the path to his ideal of the "World State" as lying through the benovolent co-operation of the large-scale capitalism, through a "world consortium" without overthrowing capitalism, or through the magical devices of technical experts and upper-class "airmen," while remaining blind to the sole real force ("my estimate of the moral and intellectual forces at large in the world was out"), the force of the international working class in alliance with the subject peoples throughout the world, which can alone break the power of the finance-capitalist dictatorships and realise, as it is already on the march to realise, the future world society of collective co-operation.

The dream of international peace through the co-operation of capitalism, by the supposed evolution of capitalism to a higher stage in which its anarchy and discords will disappear, has persisted from the nineteenth century into the twentieth, despite all the rude shocks of reality. But it has changed its form. In the nineteenth century the illusion, appropriate to the conditions of free trade industrial capitalism,

took the form of the illusion of a future universal free trade era, in which all the nations would be linked by the bonds of peaceful commerce, and war would not be known any more. The evolution of capitalism, to its monopoly stage or imperialism; growing inevitably out of the conditions of Liberal *laissez-faire* capitalism, shattered this dream. But a new one grew up in its place even in the age of imperialism, when the real tiger-fight of capitalism had reached to the extreme of openness and violence. Would not the growth of capitalist concentration and monopoly, it was argued, ultimately lead by the same laws of development to a single international capitalist monopoly, eliminating all discords and divisions? Must not imperialism grow into "ultra-imperialism"? This was the formulation put forward by the leading German Social-Democratic theorist, Kautsky. Already in 1913 Hilferding had written in his *Finanzkapital* :

"Economically, a universal cartel to guide all production and thus to eliminate crises, would be possible; such a cartel would be thinkable economically, although socially and politically such a State appears unrealisable, for the antagonism of interests, strained to the last possible limits, would necessarily bring about its collapse."

But Kautsky in 1915 went beyond this ground of a hypothesis, in theory economically possible, but practically unrealisable, to proclaim a "not impossible" "new phase" of capitalism. In his *Nationalstaat Imperialistischer Staat und Staatenbund* (" National, State, Imperialist State and League of States "), published in 1915, he wrote :

" From a purely economic point of view it is not impossible that capitalism will yet go through a new phase, that of the extension of the policy of the cartels to foreign policy, the phase of ultra-imperialism. "

And again :

" Evolution is proceeding towards monopoly ; therefore the trend is towards a single world monopoly, to a universal trust. "

This view of a future peaceful, harmonious phase of "internationalised" capitalism, supposed to be foreshadowed by the growth of international financial connections and international trusts and cartels found high favour in Liberal reformist circles in the second and third decades of the twentieth century.¹

We have already traced in the last chapter on the post-war economic record the woeful collapse in practical experience of this myth of the supposedly growing "international" unification and harmony of capitalism, and seen how the actual line of development is in the opposite direction, towards the increasing sharpness of the economic political conflicts trade wars, tariff wars currency wars, as well as diplomatic and armed struggles, of the rival finance-capitalist blocs. We have now to see in principle why this process is inevitable in the development of imperialism, and is by no means due to the incursion of accidental factors.

Why is a "World State" or any form of stable international co-operation impossible under the conditions of imperialism? The reasons for this lie in the character of imperialism, i.e., the formation of rival monopolist groupings of capital around corresponding State mechanisms, and close interweaving of each grouping with its own State mechanism in order to utilise the maximum power to promote its competing aims and win a larger share of the world

1. A similar view of the internationally harmonising and unifying rule of finance-capital was reflected also in the school of so-called "realist pacifism" or Norman Angellism (Norman Angell, *The Great Illusion*, 1909—see also the 1931 extract from the same author, quoted on page 101) which won wide currency before the war. Norman Angell, however, recognised that the actual ideology and policies of imperialism were fully contrary to any such international tendency; but he endeavoured to regard such ideology and policies as an obsolete survival or "illusion" of the leaders of finance-capital in conflict with their supposed true international harmonious interests, and failed to see their basis in the real development, structure and characteristics of finance-capital as an antagonistic system of rival monopolist groups using state power for the purposes of their monopolist aims all over the world.

market, sources of raw materials, colonies or spheres of influences. This conflict is the reality of imperialist world politics. In this situation there can be no stable union, but only shifting alliance and interrelationships against a common rival. Even where a general union is attempted, and that of the loosest kind, as in the League of Nations, this union has not yet become general, the largest Power continuously holding out, and even so this union is revealed as only a continuation and an area of the existing conflicts. The League of Nations was originally a union of the victor powers against the defeated Powers and the Soviet Union; to-day it is a union of Powers in varying degrees of opposition to the Fascist war offensive and to the plans for an immediate world war; to-morrow it may take another shape. But at no time has it displaced, or can it displace, the real bases of power in the imperialist centres and their conflicts.

This situation could only be changed within imperialism, if the rival monopolist groups could coalesce into a single monopoly, into a single world trust or cartel. If a single world trust could be realised, then a single World State under capitalism would follow. If not, not. This is the fundamental economic issue underlying the problem of a capitalist World State (the League of Nations, it should be noted, is not in any sense an attempt at a World State or super-state federation, but only at a very much looser form of union, whose special character we shall discuss presently; the fundamental dilemma, however, remains the same also for this type of union).

Is a single world trust possible? As an abstract economic hypothesis it is theoretically conceivable. But between the abstract imagining and its realisation in practice lies a gulf. For the abstract hypothesis leaves out of account the law of the increasingly uneven economic and political development of capitalism which makes it in practice unrealisable.

What is the normal process of the concentration of capital through the formation of trusts or cartels? The

normal process may develop through one of two forms. Either an overwhelmingly strong body of capital is able to dominate and absorb, crush, buy out or freeze out a weaker rival, and thus stage by stage advance to a position of monopoly. Or, where there is equality between two or more rivals and relative stability of conditions, a stable compact may be made for the division of markets, or a fusion of capitals negotiated. But where there is neither overwhelming predominance nor relative equality, and especially where there are rapidly changing conditions, through one company advancing and another declining, through the invention of new processes, etc., there no stable compact is possible, since the stronger or advancing body of capital will prefer to continue the struggle rather than to stabilise the existing position. This instability is strikingly illustrated on an international scale in the experience of all international trusts and cartels that have been formed, their fluid and precarious character. A particularly enlightening study could be made of the post-war European Steel Cartel, originally formed on a Continental basis against the more powerful United States Steel Trust, with Britain remaining outside, eventually with Britain drawn in, but throughout with the antagonisms continuing unresolved, also in the Cartel, and only transferred to the field of the battle over the quotas, with frequent threats of disruption.

When, however, this problem is transferred from the relatively elementary conditions in a single branch of industry to the relations of the complex monopolist formations of capital gathered around the various imperialist States, it becomes at once obvious how impossible it is to find either equality or a stable proportion of ratios to allow of any stable compact for the division of the world market, etc. For here, in the first place, the variety of factors of relative advantages and disadvantages of each grouping (actual and potential economic resources, costs of production, available labour force and degree of training, geographic and strategic position, territorial areas controlled, monopoly of given materials, as well as the factors of armed strength, etc.) is incommensurable in any general ratio; and in the

second place, the conditions are continually changing, as between the dynamically advancing forces and the declining forces. The strongest monopolist grouping will tend to keep out of any combination (as is illustrated in the relations of the United States and the League of Nations); the dynamically advancing forces will prefer the line of struggle to improve their position (Germany, Japan). Hence the continually renewed battle for the re-division of the world, which is the perpetual history of imperialism. This could only be ended within the conditions of imperialism by the final complete victory of one Power and domination and subjection of the remainder to its world hegemony. But the failure of all the attempts of the Allied Powers to hold Germany permanently down and turn it into a colony, through Versailles and the Dawes Plan, shows the difficulties of this path. Before this goal of an ultimate world domination, towards which imperialism in fact strives, could be achieved, the path would have to lie through such a blood-soaked marsh of wars and destruction, involving economic, political, national and social cataclysms, that the revolt of the masses in the face of such ruin and destruction, even if unable to prevent it beforehand, would advance to the victory of the world socialist revolution before imperialism could achieve its goal of a single world hegemony.¹

This situation rules out the possibility of any stable international co-operation of the imperialist Powers on a world scale. And this situation equally governs, not only the question of the possibility of

1. Reference may be made to Lenin's well-known statement on the question of a "single world trust" in his Introduction to Bucharin's *Imperialism and World Economy* :

"There is no doubt that the development is going in the direction of a single world trust that will swallow up all enterprises and all States without exception. But the development in this direction is proceeding under such a tempo, with such contradictions, conflicts and convulsions—not only economical, but also political, national, etc., etc.—that before a single world trust will be reached, before the respective national finance-capital will have formed a world union of 'ultra-imperialism,' imperialism will inevitably explode, capitalism will turn into its opposite."

a World State of capitalism, but also the character and contradictions of the existing capitalist attempts at world organisation, including the League of Nations.

2. *The League of Nations*

So far we have discussed only in principle the obstacles which prevent any form of world organisation (save for a limited or technical purpose) under the conditions of imperialism, or any stable international co-operation of imperialism on a world scale. It is now necessary to turn to the practical record in the experience of the League of Nations and similar attempts since the war.

Writing on the eve of the Japanese invasion of China, M.H. Cornejo, one of the original members of the Council of the League of Nations, published a book entitled *L'Equilibre des Continents*, with an introduction by Poincaré (issued in English under the title *The Balance of the Continents* in 1932), in which he gave a glowing description of the role and functioning of the League :

“ A spontaneous and inevitable alliance of common sense against passions is being formed within the frame-work of the League of Nations. This alliance will always have the support of overwhelming force against the obstinacy, if such obstinacy were to be manifested, of a Government shortsighted enough to resist the peaceful tendency which is incompatible with the misplaced vapourings of outworn imperialism. In a universal association the conjunction of interests creates a species of moral inertia in favour of peace. This inertia forms a line of forces not to be broken by any State which might show signs of straying from the roads indicated by the League leading to conciliation and agreement.... Day by day the authority of the League is more objective, seeking in equity solutions contrary to the egoism of States and becoming an instrument for the co-ordination of interests. Every time that the threat of an appeal to force may be perceived behind an attitude, the

best cause will be irremediably lost. The Power playing at imperialism will be pitilessly isolated. That is the inevitable alliance of peace."

The date of this description supplies the comment. It appeared in 1931, just before Japan's invasion of China and the demonstration of impotence of the League. The subsequent movement of opinion found typical expression in the British Government's Memorandum on " Defence, " issued in March 1935 (Cmd. 4897) :

" Hitherto public opinion in this country has tended to assume that the existing international political machinery is adequate for the maintenance of peace, and that reliance on older methods of defence is no longer required.

" The force of world events, however, has shown that this assumption is premature

" Events in various parts of the world have shown that nations are still prepared to use or threaten force under the impulse of what they conceive to be a national necessity ; and once action has been taken, the existing international machinery cannot be relied on as a protection against an aggressor."

Here between these two extreme poles of expression, of optimistic illusions on the one side, and of "realist" rejection of illusions on the other, and insistence on the line of independent armed preparation for struggle, is to be found the typical contrast between forms and realities in the relations of imperialism and the League of Nations.

The League of Nations has been, and continues to be, the subject of voluminous and heated controversy. Its ideal aspect has aroused passionate devotion and service from those who have felt it to be the only instrument, however imperfect, of attempted international co-operation between States and avoidance of war; and many of these have seen in it the nucleus of a future world union of States. It has

received tepid lip-service and continuous practical snubbing from governmental imperialist expression. It has been the object of vehement denunciation from chauvinist and jingo elements which are opposed to all forms of international co-operation and openly proclaim the inevitability of war. In addition, the special question of the League of Nations and capitalism has aroused widespread controversy and opposing views in Socialist circles.

In order to resolve these questions it is necessary to approach the issue of the League of Nations objectively and historically, against the background of the relations of imperialism in the post-war period which governed its origin, and which continue to govern its successive changing phases of development also in the present latest stage when the advance of strength of the Soviet Union as a world Power and its entry into the League has introduced a new factor from outside imperialism and created a new relation of forces.

What is the League of Nations? The League of Nations is not in any sense a World State or super-State federation exercising independent power over its component States. The sovereignty of its component States remains intact, as is evidenced by the rule of unanimity on all major issues. It is sometimes argued that the undertaking of the obligations of the Covenant is itself a limitation of sovereignty. But this is no more of a limitation of sovereignty than entry into a multilateral treaty. The interpretation of the obligations, the decision as to action or inaction, rests with the component States, which may on occasion denounce their membership and resume their freedom of action if this should at any time seem more in accordance with their interests, as in the cases of Japan and Germany. The decisive bases of armed power rest with the separate States and not with the League.

This dependence of the League of Nations on the superior strength of its component States, and especially of the Great Powers, is decisive for its character. This dependence rules out of court the misleading analogies often put forward in a whole variety of forms, between

the relations of the League and its component States and the relations of a particular State and the individual citizens composing it: the supposed "police role" of the League, the League as the embodiment of the "reign of law," the conception of "arming the law, not the litigants," the parallels between war and the duel of private citizens, etc. (in fact the League Covenant, as is well known, does not exclude so-called "private war," but recognises it as the final form of settlement of disputes between its members, after the forms of conciliation have failed, and in the absence of agreement of the Council Powers). In the modern State the police and the law are formally the reflection of the power of the single sovereign authority which is recognised, or is able to enforce recognition, by the main body of the citizens; in fact the given capitalist class, representing a closely interrelated capital-grouping, is the real ruling power, and the State is its organ. But in international affairs there is no united capitalist class; and consequently no single ruling power as its organ; and therefore there is no "police" and "law" in international affairs in the same sense as in a particular State, because there is no sovereign. Indeed, there is not even an "international civil service," as is sometimes said of the Secretariat of the League; for in reality all the higher controlling positions are most carefully allotted, according to the existing relation of forces, between the Powers, and their incumbents remain in practice in close relationship to the policy and instructions of the separate Powers of which they remain citizens. This subordination of the League to the separate real sovereignties of the separate Powers is the inevitable reflection of imperialism, which is not an internationally united system, but an antagonistic system of divided Power-groupings with continually changing relationships of strength.

Since there is no internationally unified economic organisation of capitalism (no single world trust or single dominant capital grouping), there can be equally no internationally unified political organ of capitalism. This root-dilemma of the League of Nations, the absence of any corresponding economic basis to which it could form the political superstructure, and

its consequent ghostly existence as a relationship between Powers and not any Power itself, received a peculiarly significant demonstration already in the original negotiations preceding its formation.

In his recently issued *The League of Nations and the Rule of Law : 1918-1935*, Professor Alfred Zimmern gives an account of the abortive project that was officially put forward at the end of the war carrying forward the system of inter-Allied economic control after the war and widening it to an all-inclusive international system. The character of this project and the reasons for its breakdown are highly instructive.

The war had divided world economy into two highly unified and centralised systems, the Allied and the Central European. The Allied, by its control of sea-power, drew in the majority of the neutral States and thus embraced the greater part of the world. A single economic controlling centre governed the movements of all important commodities and of shipping.

“Never before has the world been under so complete a control of its economic life as during the latter part of the war. The loose and private international economic organisation, which had grown up in the nineteenth century and had come to be taken for granted, was suddenly torn asunder and cast aside. Its place was rapidly taken by two highly organised governmental systems, covering between them almost the entire globe. The extent to which neutrals and other Powers distant from the main scene of fighting were drawn into the Allied economic system is well illustrated by the fact that during the closing months of the war 90 per cent of the sea-going tonnage of the world was under the control of the Allied Governments—in others words, of the Allied Maritime Transport Council, which allocated their cargoes and arranged their voyages” (p. 146).

This was the highest measure of supernational economic organisation achieved by capitalism. It will

be noted that this demonstration is important, not only for the proof of the technical possibility of the extremely rapid organisation of world economy from a single controlling centre, once society is directed to this purpose, but equally for the no less significant fact that under capitalism this type of wider unified organisation has only been achieved for the purposes of war, for conflict with an opposing system.

Towards the end of the war the proposal was put forward that this system should be continued after the war and extended to include the neutrals and ex-enemy States, with the participation of representatives of these on the controlling organs. It is evident that, if this proposal had been capable of realisation, a form of internationally organised capitalism, on the basis of the victorious Allies' domination, would have been established which might have provided a possible basis for an attempted capitalist World State. But the scheme met with immediate breakdown. The proposal to prolong the inter-Allied economic organisation was put forward by the British and French Governments to the United States Government, which was in an immeasurably stronger economic position than the weakened European Powers, to the effect that the Allied economic control should be continued after the war and should include control of the merchant marine and supplies of the Central Powers. The reply of the United States was an emphatic negative, conveyed in Hoover's Note of November 8th, 1918:

"This Government will not agree to any programme that even looks like inter-Allied control of our resources after peace. After peace, over one-half of the whole export food supplies of the world will come from the United States, and for the buyers of these supplies to sit in majority in dictation to us as to prices and distribution is wholly inconceivable. The same applies to raw materials."

There could be no clearer statement of the views of the strongest imperialist Power on any projects of a harmonious "ultra-imperialism."

Professor Zimmern laments that this blow sealed the fate of the future League of Nations. He considers that the scheme "aimed at creating conditions under which—and under which alone, as it was believed—the League of Nations as a political organisation could be set up with any hope of initial success"; and he concludes:

"If the peace, as is so often said, was lost, its first great defeat, perhaps its greatest defeat of all, was suffered, not in the Peace Conference itself, but during the days and weeks immediately following the Armistice, when the economic forces were allowed to slip out of the control of statesmanship" (p. 155).

But it is manifest that what was here revealed was no accidental error of "statesmanship." What was here revealed was the basic antagonisms of imperialism, inherent in the whole organisation of capitalism, so soon as the war pressure was removed. No sooner was the German enemy overthrown than the new major antagonism of imperialism, the Anglo-American antagonism, together with the secondary Anglo-French antagonism, came to the forefront. The stronger imperialist Power refuses to enter into any stable compact or *bloc*. The isolation of the United States on the economic field was soon followed by its isolation on the political field. The departure of the United States killed the League of Nations as a world organisation of capitalism. We have here no chapter of accidents, but the working out of the basic law of imperialism.

The history of the League of Nations can thus only be considered on the basis of the relations and antagonisms of imperialism. From this follows the original interconnection of the League of Nations and the Versailles victor treaty. In general, an association of capitalist States is only realised against a common enemy. The Holy Alliance experiment developed after the Napoleonic wars for the maintenance of the Vienna settlement and the monarchist restoration against the revolution. Similar factors may be traced

in the genesis of the League of Nations. The existing order was once again menaced by revolution. A prolonged war had ended in the victory of a coalition which had made a new division of Europe and the world. The League of Nations was to be the coping-stone to maintain the order established by the outcome of the war against new revisionist war or revolutionary change. At the same time—again with a certain degree of analogy to the Holy Alliance—into this essentially reactionary basis was poured the idealism of the crusade to wipe out war from the face of the earth.

Three factors may thus be traced in the formation of the League of Nations. The first was the aim of the victor imperialist Powers to maintain the fruits of their victory. The second was the aim of capitalism as a whole to maintain its threatened rule against the revolution of the subject masses and of the colonial peoples. The third was the aim to prevent or hinder future wars. These aims were in fact contradictory; and the subsequent history has brought out more fully these contradictions.

The Holy Alliance aspects of the League of Nations as an organisation of imperialism against the revolution and the colonial peoples was most prominent in its early stages, during the height of the revolutionary wave after the war. Since the highest measure of common interest of the entire capitalist class is expressed in the common interest of all sections to maintain the subjection of the exploited masses, it follows that the highest degree of capitalist co-operation is only achieved when and in proportion as this common interest of class domination is directly menaced. This was illustrated in the co-operation of Thiers and Bismarck against the Paris Commune. Similarly in the imperialist era the 1900 Eight-Power expedition for the suppression of the Boxer rising and the looting of Peking is the one example of a joint operation of all the imperialist Powers (although this also was characterised by sharp inner antagonisms and counter-manceuvring throughout). So also all the imperialist Powers in varying forms and phases conducted armed operations against the Russian Revolution.

This aspect of the League of Nations was most marked in its formation and during its early stages. The League of Nations was in fact no League of "nations," but a grouping of victor imperialist Powers and of secondary States. The colonial peoples were "represented" only by their masters. Soviet Russia, no less than defeated Germany, Austria-Hungary and Turkey, were excluded from invitation. The "mandate" system was a transparent cover for the division of the colonial spoils of the defeated enemy. A proposal by the Japanese to include in the Covenant a clause recognising "the principle of equality of nations and just treatment of their nationals" and guaranteeing "no distinction on account of race and nationality," though supported by a majority, was defeated by British and American opposition; Lord Cecil objected that such a suggestion "raised extremely serious problems for the British Empire," while President Wilson protested that it "would raise the race issue throughout the world."

The consciousness of the fight against the world socialist revolution was strongly present in the early stage of the formation of the League of Nations. A British Foreign Office Memorandum on the project of a League of Nations in December 1918 (published for the first time in Professor Zimmern's book, already quoted), laid down :

"We have to look forward to a period when Bolshevism—or the religion of the international class war—will be a permanent factor in European policy, and may at any time seize the reins of Power in States which are or desire to become members of the League. We ought to lay it down in set terms that Governments which promote propaganda subversive of the Governments of their neighbours are outside the pale of the League's membership. We can base our attitude here on the principle laid down in President Wilson's speech on March 5, 1917 : 'The community of interest and power upon which peace must henceforth depend imposes upon each nation the duty of seeing to it that all influences proceeding from its own citizens meant to encourage

and assist revolution in other States should be sternly and effectually prevented."

Similarly the Smuts Plan for the League of Nations in December 1918 coolly proposed a "mandate" system by which the Western Powers organised through the League of Nations should seize control of Eastern Europe :

"Europe is being liquidated, and the League of Nations must be the heir to this great estate. The peoples left behind by the decomposition of Russia, Austria and Turkey are mostly untrained politically ; many of them are either incapable of or deficient in power of self-government ; they are mostly destitute and will require much nursing towards economic and political independence."

So, too, the Lloyd George Memorandum to the Peace Conference in March 1919 openly spoke of the League of Nations as the "alternative to Bolshevism" :

"If we are to offer Europe an alternative to Bolshevism, we must make the League of Nations into something which will be both a safeguard to those nations who are prepared for fair dealing with their neighbours and a menace to those who would trespass on the rights of their neighbours, whether they are imperialist Empires or imperialist Bolsheviks."

This openly counter-revolutionary role of the original conception of the League of Nations was concealed under the banner of "democracy," which covered the reality of imperialism. Wars in the Wilsonian philosophy were the consequence of the dynastic ambitions of king and emperors ; to these were opposed the peaceful aspirations of the peoples, once these were liberated through the two-fold process of national self-determination (regarded as only applicable to the subject peoples under enemy imperialism, and not to the far larger number of subject peoples under Allied imperialism) and of parliamentary democracy ; was no "democracy" covered the rule of finance-capital, the most predatory force in history and the driving-force of modern-war.

In view of these original plans of the founders of the League of Nations to organise it as an instrument for the maintenance of imperialist domination over the subject peoples, for holding down Germany in subjection, and for organising the joint exploitation and carving up Russia, Eastern Europe and the near East, it was with full justification that Soviet Russia regarded the original conception of the League of Nations with suspicion as "a coalition of certain States endeavouring to usurp power over other States" and a "pseudo-international body" which "really serves as a mere mark to conceal from the masses the aggressive aims of the imperialist policy of certain Great Powers of their vassals" (Soviet Note to the Secretary-General of the League of Nations in 1923). The twofold character of the conception involved in the League of Nations, on the one hand the conception of a league of peoples for peace, and on the other hand the conception of an instrument of combined imperialist domination, was sharply distinguished in Chicherin's Note to President Wilson on the question of the League of Nations on October 24th, 1918, which at the same time set out the constructive proposals of the Bolsheviks for a real League of Nations. Those constructive proposals included : (1) self-determination of all peoples, including those under Allied imperialism ; (2) cancellation of all war-debts ; (3) expropriation of the capitalists in all countries and organisation of international economic co-operation on a basis of collective economy ; (4) international disarmament. Chicherin wrote ;

"While agreeing to participate in the negotiations even with Governments which do not as yet represent the will of the people, we on our part should like to ascertain in detail from you, Mr. President, your conception of the Nations with which you propose to crown the work of peace. You demand the independence of Poland, Serbia, Belgium, and liberty for the peoples of Austria-Hungary. You probably mean to say that the popular masses everywhere must first take determination of their fate into their own hands in order afterwards to associate in a free League of Nations. But, strangely enough we have not seen among your demands the

liberation of either Ireland, Egypt, India or even the Philippines, and we greatly desire that these peoples, through their freely elected representatives, should have an opportunity jointly with us to take part in the organisation of the League of Nations.

"Before commencing negotiations for the establishment of a League of Nations we also desire, Mr. President, to ascertain what solution you propose for the numerous problems of an economic character which have an essential importance for the cause of future peace, . . . You know as well as we, Mr. President, that this war is the result of the policy of all capitalist States. . . .

"We therefore propose that the League of Nations should be based upon the expropriation of the capitalists of all countries..If you should agree to this, Mr. President, if the sources of new wars should for ever be blocked up in this manner, there can be no doubt that all economic barriers could easily be removed, and that the peoples controlling the means of production which they operate would be vitally interested in a mutual exchange of the products they do not want for the things they need. This would result in the exchange of commodities between nations, each producing what it could best produce, and the League of Nations would be a league of mutual aid to the labouring masses. It would then be easy to reduce the armed forces to the minimum necessary for the maintenance of public safety in the interior...

"We have tried to formulate our proposals concerning a League of Nations with precision in order to prevent the League of Nations from becoming a League of Capitalists against the nations."

But there remained "another possibility":

"But there is also another possibility. We have to deal with President Wilson of the Archangel attack and the Siberian invasion. We also have to

deal with the President Wilson of the League of Nations peace programme. Is not the real President Wilson, who in point of fact is guiding the policy of the American capitalist Government, actually the former of the two ? Is he not the American Government, the Government of the American joint stock companies, the industrial commercial railway trusts and banks—in short, the Government of the American capitalists ? If so, is it not possible that the proposal to establish a League of Nations, which emanates from this same American capitalist Government, will actually bind the people by new chains, and that an international trust will be formed for the exploitation of the working classes and the oppression of the weaker peoples ?”

It will be seen that the Russian proposals for a League of Nations in October 1918 touched on the basic issues for any permanent world organisation of the peoples. This line was not followed. It was the alternative line, the line of the “international trust for the exploitation of the working classes and the oppression of the weaker peoples,” that was attempted to be realised.

Nevertheless, this line also, the line of the “international trust,” could not in fact be realised, for the reasons that we have already analysed. The inner imperialist antagonisms prevented it. No world union of imperialism could be realised. Defections, splits and conflicts successively weakened the league until a point was reached at which only two of the imperialist Great Powers were effectively participating in its work. The process of weakening reached such a stage that, fourteen years after its foundation, the League of Nations was inviting the Soviet Union to join it in order to strengthen its ranks, and the Soviet Union began to play a leading part in the League which had originally been formed against it.

In order to understand this transformation in the whole situation, composition and role of the League of Nations in its present latest phase, it is necessary to examine first the imperialist antagonisms within and

without the League which shattered its originally conceived role as an attempted world union of imperialism, and thus led the way, through its successive weakening, to the present new stage. This brings us in fact to the second aspect of the League as the arena of imperialist antagonisms. This aspect came increasingly to the front in the second phase of the League's existence, in the period of temporary stabilisation, i. e. in proportion as the character of the League as the union of the victor imperialist Powers against the defeated enemy and against the world revolutionary wave began to pass into the background. Germany was admitted into the League, and the League became for a period the recognised meeting-ground for the negotiations and interrelations of the leading European imperialist Powers. But this aspect of the League as the arena of imperialist antagonisms, inherent in its whole character, had in fact been strongly marked from the outset already in the preliminary negotiations which led to its formation.

Three imperialist Powers had originally shaped the League of Nations, the United States, Britain and France. But these Powers were in fact pursuing contrary aims and policies; and these contrary policies were reflected in the outcome, as is indeed visible in the Covenant, which is no unitary document, but an amalgam, capable of very diverse interpretations and of very doubtful efficacy in a serious international crisis.

France was above all concerned to safeguard its gains through the Versailles Treaty and its dominance in Europe on the basis of the chain of new States established through that settlement. For this reason France sought to establish and strengthen the League of Nations as a legally binding international instrument for joint action in maintaining the Versailles settlement and the new frontiers established. Consistently with this, France sought to establish an international army of the League; this was defeated by British and American opposition. In the same way, later, France fought for the Protocol, which would have established automatic assistance in the case of aggression; British opposition defeated this.

Britain, whose direct gains through Versailles lay essentially outside Europe, was opposed to any binding commitments of a general character, or outside its immediate sphere of interests. Thus Britain originally opposed the words of Article 10 of the Covenant, "to preserve as against external aggression the territorial integrity" of all member States (supported by the United States and France), and has later repeatedly "interpreted" them as not to be taken literally. British policy sought to minimise the League of Nations as no more than an instrument of international consultation, a continuation and extension of the old "Concert of Europe" into permanent forms. Official British expression of scepticism as to the whole—machinery of the League of Nations and the conception of "collective security" may be traced throughout the post-war period: as in the 1919 official commentary on the League of Nations (Cmd. 151), explaining that "private war" is still "contemplated as possible," and that the League only served to "establish an organisation which may make peaceful co-operation easy"; in the 1925 British Government Declaration to the Council (Cmd. 2368) that the League, while able to deal with minor "misunderstandings," must be regarded as powerless to prevent wars "springing from deep-lying causes of hostility, which for historic or other reasons divide great and powerful States"; or in the 1935 British Government Memorandum (Cmd. 4827) that "the existing international machinery cannot be relied on as a protection against an aggressor."

The United States in the first stage of its policy, expressed through Wilson, sought to establish through the League of Nations a world federation for peace under American domination, since world peace constituted the most favourable situation for American economic and financial penetration, corresponding to its superior economic strength. On the other hand, the United States was not interested, as Britain and France, in the direct "spoils" aspect of the Treaty of Versailles or the European settlement. As soon as it became clear that American domination in any such general bloc was not possible, in the face

of British and French opposition, and that American policy was instead only becoming thereby involved in European commitments and conflicts in which it had no interest, the Wilson policy was reversed and the United States refused to enter the League.

The withdrawal of the United States marked the first decisive rift in the League of Nations as an attempted world *bloc* of imperialism. The basic imperialist antagonism was stronger than the attempted combination through the League. From this point the League was revealed as no longer a general combination, but a partial combination under British-French domination. The withdrawal of the United States was immediately used by British policy as a ground for no longer regarding the League as effective or its obligations as binding in the same way as originally intended. The 1925 Declaration of the British Government stated :

“The League of Nations in its present shape is not the League designed by the framers of the Covenant. They no doubt contemplated, and, so far as they could, provided against, the difficulties which might arise from the non-inclusion of a certain number of States within the circle of League membership. But they never supposed that among these States would be found so many of the most powerful nations of the world, least of all did they foresee that one of them would be the United States of America.”

Similarly, the International Blockade Committee of the League in 1921 had already reported that, in view of the departure of the United States, the sanctions clauses of Article 16 could no longer be regarded as automatically and universally effective, as laid down by the Covenant.

After the withdrawal of the United States, the British-French antagonism governed the proceedings of the League and paralysed its action. France fought for the line of the Protocol. Britain countered with the Locarno Pact, which, while having the appearance of increasing British commitments in Europe, in

reality expressed British withdrawal from the general obligations of the League by explicitly confining British commitments to Western Europe. To counter-balance French dominance in Europe Britain negotiated to bring Germany into the League. The entry of Germany into the League in 1926 at first gave the effect of widening its character, removing its one-sided role as the organ of the Versailles victors, and instead bringing once again to the front the conception of a union of Western imperialism with a markedly anti-Soviet orientation, especially in the aim of British policy. But this aim also was defeated. The challenge of the rising new German imperialism against Versailles only brought new antagonisms into the League; Germany had only entered the League, as the subsequently published letter of Stresemann to the ex-Crown Prince made clear, for the purpose of manoeuvring; later when the time was ripe, Germany went out of the League in order to carry forward the struggle to a new stage with free hands. But by this time a profound transformation was developing in the whole international situation.

. The world economic crisis and its consequences brought far-reaching changes in the international political situation, and a general sharpening of all antagonisms, which had their inevitable effect on the whole character of the League of Nations. Hitherto the League had appeared as the general union of the leading imperialist Powers other than the United States. In the new sharpened situation this could no longer continue. The first sign of the new war-phase that was developing was Japan's war of spoliation against China in 1931. Japan and China were both members of the League; China appealed to the League. But Britain gave diplomatic support to Japan; the League proved impotent to act. This impotence of the League in the first war involving a Great Power dealt a crushing blow to the reputation of the League as an instrument to prevent war.

But the effect of Japan's action went further. The League, while taking no action against Japan, eventually drew up a report condemnatory of Japan's

aggression, even though offering concessions to Japan. Japan rejected the report, and in March 1933 left the League. Thereby Japan showed that for the purpose of its war of aggression it was more convenient to act from outside the League. In the autumn of 1933 Germany followed Japan's example. A new situation thus developed in which the Powers concentrating on immediate war were passing out of the League (Italy subsequently remaining only in nominal membership), while the Powers remaining in the League were those opposed to immediate war. This was the first factor in the new phase of the League of Nations.

The second factor, connected with the first, arose from the increasing role and activity of the secondary and smaller States in the League, in proportion as the ranks of the Great Powers became weakened. Originally, and in the original conception and intention, the League had been completely dominated by the leading Powers, with the smaller States relegated to a role of impotent passivity in the background. The Covenant laid down that the Council, in whose hands lay all effective control of the League, should consist of the five victor Great Powers as permanent members, and (conceded only after violent protest from the smaller States at the Peace Conference) four non-permanent members from among the smaller States, i.e. that the Powers should have a permanent majority on the Council. But the increasing antagonisms between the Powers transformed and undermined this position. On the one hand, the number of imperialist Great Powers in the League sank to three; on the other hand, through successive changes consequent on various conflicts and intrigues, the number of non-permanent seats, representing the secondary and smaller States, was raised to nine, thus transforming the formal balance on the Council. The change, while not removing the inevitable actual domination of the Powers, and in particular, Britain and France, was not entirely formal, but reflected a certain change in the balance of forces. For the majority of the smaller States, having the most to fear from war and from the ambitions or revisionist aims of their neighbours, were the most anxious to develop the League as an instrument for the collective maintenance

of peace. The Little Entente, the Baltic States, the majority of the Balkan States, and the Scandinavian States played an active role in this respect within the League. In proportion as the menace of the Fascist war offensive increased, this activity of the majority of the smaller States to endeavour to make the League an effective instrument of collective defence against aggression become intensified, and forced itself to the front in the proceedings of the League. And in this fight for peace they were now to find a powerful ally in the Soviet Union. This brings us to the third and most important factor of change in situation of the League of Nations.

The third new factor arose from the advance in strength of the Soviet Union. The original Holy Alliance aspect of the League of Nations had failed and successively weakened, not by the intention of its founders, but through the further development of the world situation, the advancing strength of the Soviet Union and the weakening of imperialism by its own divisions. The Soviet Union had defeated its enemies, built up its Socialist economy, and emerged as a world Power whose weight had increasingly to be taken into account. To meet the rising German menace and the weakening of the League, France worked to make possible the entry of the Soviet Union into the League of Nations. The entry of the Soviet Union into the League of Nations took place in 1934 and brought a completely new situation. For the first time the ring of imperialism was broken, and a Power outside imperialism functioned in the inner Council of the League.

Thus a far-reaching reversal of relations had developed. The League of Nations remained a combination of imperialist States, with only one Socialist State now in their midst. But the most active war-making Powers had passed out of the League or developed an openly negative attitude towards it. The new Socialist Power was able to exercise its influence within it. The smaller States which feared war sought to develop it as an instrument for the maintenance of peace. The imperialist Powers

were divided into those which openly drove to war, either from outside or against the League, and those which were hesitant or opposed to immediate war and sought, with considerable hesitations and inconsistencies, to maintain the League as an instrument to impede or delay war. Thus the popular forces were able to take advantage of this rift in the imperialist camp and utilise the new relation of forces within the League as a means towards strengthening the struggle against the Fascist war offensive of imperialism.

The contradictory forces of this extremely complex new situation were partially illustrated in connection with the Italian war on Abyssinia in 1935. In this case the situation of the imperialist Powers, in contrast to 1931, was such that British imperialism was concerned, in defence of its interests in Northern Africa, the Suez Canal and the Mediterranean, to exercise a restraining influence on Italy, while France had reached a basis of close understanding with Italy, in order to win assistance against the menace of Nazi Germany, and was hesitant to act against Italy, so long as Britain's attitude to future Nazi aggression remained ambiguous. The Soviet Union alone proclaimed its opposition in principle to the colonial aggression of Italy and declared its readiness to take part in all collective measures for the defence of peace against aggression. For the first time in its history the League of Nations took a certain very limited action against a Great Power in the shape of partial economic sanctions, but very tardily, with extreme weakness, and accompanied by offers of concessions from the imperialist Committee of five, dominated by Britain and France, which were from the outset in open violation of the Covenant. The attempted Hoare-Laval settlement of British and French imperialism, which sought to reward Italian aggression with extensive territories at the expense of Abyssinia, and which was put forward as an alternative serving to delay any embargo on oil supplies so long as such an embargo might have been effective in bringing the war to an end, completed the strangling of the League's role. The outcome demonstrated once again the incapacity of the League of Nations, as so far developed, to prevent war or defend peace.

Nevertheless, the experience revealed the growth of the forces fighting for peace; popular pressure played certain part in enforcing even the very limited action that was taken, as well as in defeating the Hoare-Laval plan; and it revealed also the extreme instability of the present relation of forces in the League of Nations.

The demonstration of impotence of the League of Nations before the Italian war of aggression on Abyssinia, both being members of the League, following on the similar demonstration of impotence before the Japanese war of aggression on China in 1931; and with the prospect of Nazi German aggression in Europe in the near future, brought sharply to the forefront the problem of the League of Nations and the alternatives before it. One school, represented especially in strong sections of British ruling opinion, sought to draw the lesson of the failure of the League of Nations, to write off the whole conception of collective security as bankrupt, and to seek to confine the League in future to the role of a body of international consultation and conciliation, abandoning or liquidating the provisions of the Covenant for the collective maintenance of peace. This view, hinted at in the National Government's declarations that the whole question of collective security would have to be reconsidered in the near future, received frank expression from Lord Lothian:

"I am reluctantly drawn to the conclusion that the only honourable and practical course for us is to give notice at once that after two years we shall no longer accept the automatic and universal obligation to go to war contained in Article 10 and 16 and to invite our fellow-members to consider how the League can be restored to the universality which is its essence and continued as an instrument for international conciliation."

(Lord Lothian in *The Times*, April 29th, 1936)

The other school, most typically represented by the French Peace Plan of April 1936, sought to strengthen the League of Nations by a supplementary system of

guarantee pacts involving definite obligation of all participating States for collective defence against aggression.

The coming stage is thus likely to see a battle developing over the future of the League of Nations. The existing phase is a reflection of the extreme present instability in the camp of imperialism, with the advances of the forces of Fascism and of the elements driving to war on the one side, with the advance of the socialist forces and of the popular peace front on the other, and with the extreme hesitations and divisions of policy within the ruling imperialist camp. It is obvious that this situation is no static one; it is capable of rapid development in either direction. On the one hand, the advance of the socialist revolution, or of the transitional stage of the people's front, in a series of countries could lead to a rapid and even decisive change on the balance within the League of Nations. On the other hand, the main imperialist forces will certainly exert every endeavour to restore the old balance, to bring Germany back into the League, and to rebuild once again the temporarily shaken front of imperialist counter-revolution within the League of Nations.

In particular, the battle is likely to develop in the immediate future between the attempt to liquidate the basis of the League of Nations as an instrument of collective peace, drawing the Fascist States into its midst, and revising and emasculating Articles 10 and 16, and the attempt to strengthen its basis, in combination with an inclusive system of pacts of mutual security, as a binding instrument for collective defence against aggression.

The outcome of this battle, which reflects all the social-political forces of the present situation, will depend on the further development of the inner social-political struggle in the leading countries. No dogmatic conclusion can be drawn with regard to the future of the League of Nations, because the League of Nation is no absolute unchanging institution,

but only a relationship of continually changing forces; and in consequence its role and significance at any given stage can only be judged concretely in relation to the given situation.

3, World Pacts and Regional Pacts

From the outset the League of Nations never enjoyed the confidence of the imperialist Powers as a general mechanism of security. The United States repudiated it. British scepticism and refusal of any general commitments was unconcealed. France, while laying the greatest stress on the binding character of the Covenant, was the first to develop a system of additional treaties and alliances for its security.

President Wilson had declared :

“ There can be no leagues or alliances or special covenants and understandings within the general and common family of the League of Nations.”

But President Wilson had himself violated this at the outset with the proposed British-American-French Treaty of Guarantee, which only finally fell through owing to American repudiation. Since there was no confidence in any quarter in the collective system of the League of Nations, there inevitably followed a long series of separate pacts of particular States, either directly outside the League of Nations, or drawn up as falling within its framework. The separatist tendency of Power-relations under imperialism proved stronger than the attempted universal system of the League of Nations.

Of these numerous pacts of the post-war period it is necessary to distinguish two types. The first was the attempted world pact, the Kellogg Pact or Paris Pact, which sought to establish a world system of “ renunciation of war ” separate from and outside the League of Nations. The second was the series of regional pacts, which ranged from minor non-aggression treaties between two States to attempted wider regional systems, notably the Washington Nine-Power Treaty for the Far East, the Locarno Pact for

Western Europe, the moves for a Pan-American League the abortive schemes for "Pan-Europe," and the proposed Eastern Security Pact for Eastern Europe, which received its partial realisation in the Franco-Soviet Pact.

The Kellogg Pact, inspired from the United States, represented the American attempt at an alternative world system, under American leadership, to the League of Nations, which had fallen under British-French leadership. It was signed in 1928 and eventually ratified by 65 States, or a wider range than the membership of the League of Nations. It was thus in form for the first time an all-embracing world system, but it achieved this all-embracing character only by being empty of any real content. Formally the signatories,

(1) "solemnly declare that they condemn recourse to war for the solution of international controversies, and renounce it as an instrument of national policy in their relations with one another" ;

(2) "agree that the settlement or solution of all disputes or conflicts of whatever nature or of whatever origin they may be, which arise among them, shall never be sought except by pacific means."

Actually this pledge was treated in a fully Pickwickian sense by all the imperial signatories from the outset. This was made clear in the statement and reservations for the various Powers preceding signature. The United States Government excepted from its operation any action for the maintenance of the Monroe Doctrine. The French Government insisted that the pact must not be understood to refer to wars of self-defence or in fulfilment of treaty obligations. The British Government made the most sweeping reservations of all in its dispatch of May 19th, 1928.

"There are certain regions of the world the welfare and integrity of which constitute a special and vital interest for our peace and safety. His Majesty's Government have been at pains to make it clear in the past that interference in these regions cannot be

suffered. Their protection against attack is to the British Empire a measure of self-defence. It must be clearly understood that his Majesty's Government in Great Britain accept the new treaty upon the distinct understanding that it does not prejudice their freedom of action in this respect."

Not content with the "defence" of the Empire, covering a quarter of the world, Britain thus reserved for itself full "freedom of action" in any unspecified "reigns of the world" where it might at any time claim "a special and vital interest." This sweeping claim of British imperialism left the Monroe Doctrine behind as a parochial affair in comparison. Needless to say, this claim was thereafter taken as equally applicable to themselves by the other Powers; thus the Italian representative at Geneva specifically referred to it as justifying Italy's claim that its war on Abyssinia was no breach of the Kellogg Pact.

What, then, remained of the Kellogg Pact even on the day that it was signed? Wars of "defence" were clearly understood to be excluded from its operation. Wars for the maintenance of colonial possessions or in execution of treaties were equally understood to be excluded. So were wars on behalf of "special and vital interest" in any "regions of the world" war. The innocent might be excused for wondering what was left to renounce. But the lawyers were ready with an answer. The imperialist Powers had renounced wars of "aggression," the pledge was not exacting

Since the Kellogg Pact it has been noted that no "war" have taken place any more in the world. Military operations, involving considerable slaughter and destruction, have taken place in the Far East, in South America and in America. In no case have these been preceded by a declaration of war. In the opinion of the general staffs this precedent may be expected to be followed in the future. This is likely to be the maximum contribution of imperialism to the abolition of "war."

The testing of the Kellogg Pact as an attempted world system under American leadership took place over

the Japanese invasion of Manchuria. The United States Government called for "consultation" by the signatories of the pact as the necessary sequel in view of its violation. The Secretary of State, Stimson, declared in his address of August 8th, 1932:

"Consultation between the signatories of the pact, when faced with a threat of its violation, becomes inevitable. Any effective invocation of the power of world opinion postulates discussion and consultation. As long as the signatories of the pact support the policy which the American Government has endeavoured to establish during the past three years of arousing a united and living spirit of public opinion as a sanction of the pact, as long as this course is adopted and endorsed by the great nations of the world who are signatories of that treaty, consultations will take place as an incident to the unification of that opinion."

The appeal fell in practice on deaf ears. Britain was supporting Japan. Repeated American overtures were rebuffed. Once again the basic Anglo-American antagonism shattered the attempt at a world system.

As against the failure of the attempted world pacts to prevent war, represented by the League Covenant and the Kellogg Pact, the theory has been put forward that the correct line of advance lies along the path of regional pacts of mutual security, since these would correspond to the close and immediate interests of the States concerned. Here, however, a distinction is necessary. While an agreement of this character for mutual assistance between neighbouring States can have an impeding effect on the outbreak of war, it is obvious, especially where the question of the larger Powers arises, that the modern world cannot be finally thus divided into compartments, that what happens in one region is bound to affect another, and that therefore any regional pacts require for their full effectiveness to be part of a wider world system. The fate of the major regional pacts so far attempted

is suggestive for this. The Washington Nine-Power Treaty and the Locarno Treaty, which were both essentially separatist in character, have broken down. The Franco-Soviet Pact, which is of a new type and explicitly not exclusive, but open to extension and framed to fall within a wider system, stands at present, though its effectiveness has still to be brought to the test.

The Washington Nine-Power Treaty of 1922 guaranteed the territorial integrity of China and established the principle of the Open Door in China. This did not prevent the repeated armed operations of the signatory Powers in China during the following decade. The treaty was finally torn up by the Japanese invasion of Manchuria in 1931 and its establishment of the puppet State of Manchukuo in 1932.

The Locarno Treaties of 1925 were designed to separate the question of security in Western Europe from that of Eastern Europe by a complicated system of mutual guarantee of the western frontier of Germany in relation to France and Belgium, by the five Powers, Britain, France, Belgium, Germany and Italy. Although in form subordinate to the League of Nations, it represented in fact the line of British policy to separate itself from commitments in Eastern Europe, and to restore Germany to equality with France in a system of Western imperialism under British leadership. For a period this served to assist the recovery of the new German imperialism. But the further expansion of German power burst the framework. In 1936 Germany denounced the Locarno Pact in order to carry through the re-militarisation of the right bank of the Rhine, while offering a new treaty on this basis for Western Europe.

The projects of some form of "Pan-European Union" came to the front during the period of temporary stabilisation. The project in its first stages reflected the short-lived phase of Franco-German co-operation associated with the Thoiry conversations of Briand and Stresemann in 1926. The name "Pan-Europe" was in fact a misnomer; since the scheme, as originally put

forward excluded alike the Soviet Union (45 per cent of Europe) and Britain, while including the African colonial territory of the Continental European Powers, covering an area three times as large as the proposed European area to be included.¹ The whole scheme was indeed conceived as an opposing *bloc* to the Soviet Union, the British Empire and the United States. For its most active supports, represented by Count Coudenhove-Kalergi and the Pan-Europe Union (founded in 1923, with extended semi-official congresses of leading statesmen in 1926 and 1930), the principal significance of the project was a *bloc* against the Soviet Union. Europe must "close its economic front against Russia"; Europe must organise "a single army against the Russian danger": this was the running theme of the journal of the movement, *Pan-europa*. Similarly, the *Manchester Guardian* reported of Briand in 1929, when he was pressing forward his policy of Pan-Europe :

"He has become obsessed with the communist danger, and the isolation of Russia has become one of the chief aims of his policy. There is reason to believe that the desire to isolate Russia has something to do with his whole proposal of European Federation."

(*Manchester Guardian Weekly*, October 4th, 1929)

In 1930 Briand issued his Memorandum for a United States of Europe to all the European States except the Soviet Union. British policy, however, with its extra-European commitments was essentially opposed either to entering a European Federation or to permitting one to be formed without it. Some British statesmen were disposed to flirt with the conception of a European Federation as the organisation of a *bloc* against the United States:

1. The inclusion of the African colonial territory to constitute three-quarters of "Pan-Europe" is delightfully explained in the official *A B C of Pan-Europe*, issued by the Pan-Europe Union under the honorary presidency of Briand, as representing "the southern extension of Europe across the Mediterranean." (*Pan-Europe A B C*, by R. N. Coudenhove-Kalergi, Vienna, 1931, p. 23).

"Already even in those friendly regions (the Dominions) we were being injuriously affected by the menacing rivalry of the United States of America, who had been making gains in them as in other parts of the world at our expense. The portent of America with half the gold of the world and five times our annual income had set the statesmen of the Continent of Europe thinking. Small wonder was it that the idea of a United States of Europe had emerged and was taking shape as an equipoise to the formidable economic Power on the other side of the Atlantic."

(Sir Robert Horne, speech at the Constitutional Club, February 26th, 1930)

But the dominant British policy was expressed in the emphatic negative of Amery at the Berlin Pan-Europe Congress in May 1930 ("We cannot belong simultaneously to Pan-Europe and the British Commonwealth"), and in the editorial of *The Times* on September 9th, 1930 :

"Very few States would care to proceed with the plan if Great Britain were to take no part in it, and therefore in view of British reluctance to have anything to do with an exclusively European political body, nothing in the way of a new political union is in the least likely to arise from the present discussion."

British opposition in practice killed the scheme.

This type of regional pact was in essence a reactionary proposal, directed solely to wider antagonisms, and at the same time in practical contradiction to the real conflicts of imperialism within Europe. So long as Europe remains a series of imperialist metropolitan centres with colonial appendages in all the other continents, and at the same time with extreme antagonisms over the divisions of those colonies; the "United States of Europe" or "Pan-Europe" remains either a mirage or solely a project for a counter-revolutionary *bloc*. The eventual closer union of the European countries within the wider union of the world can only be achieved along

a different path, when the imperialist basis of the European States has been overthrown.

The next stage of the movement towards wider types of regional pact (omitting for the moment the very important narrower types of pact, such as the closer political union of the Little Entente, the Baltic Pact and the Balkan Pact, all characteristic developments of the recent period) took a new form in connection with the negotiations for an Eastern European Pact of Mutual Security. Here the peace policy of the Soviet Union played the leading role. Already in 1929 the Soviet Union had negotiated a Treaty of Non-Aggression with the neighbouring States, the Baltic States, Poland and Rumania, as well as with Turkey and Persia. In 1933 the advent of Hitler with the openly proclaimed Nazi policy of aggression in Central and Eastern Europe and territorial conquests at the expense of the Soviet Union, and the following German-Polish Treaty in the beginning of 1934, made clear to all that here was the burning point of the menace of war in Europe. In May 1934, in view of the manifest failure of the Disarmament Conference, Litvinov put forward the proposal that the Disarmament Conference should be reconstituted as a Permanent Peace Conference charged with the duty of preventing war and devising a workable system of guarantees. At the same time the project was developed of an Eastern Security Pact or "Eastern Locarno," as it was at first commonly called, which should include Germany, the Soviet Union, Poland, the Baltic States, Finland and Czechoslovakia in a treaty of mutual guarantee against attack, and a parallel mutual guarantee of France, Germany and the Soviet Union. From the outset Germany and Poland showed hostility to the conception of such a Peace Pact. Britain was at first hesitant, but eventually in the summer of 1934 gave the scheme an official blessing, while disclaiming any commitments. At the London Conference of February 1935, the communique agreed by Britain and France put forward the specific proposal for a "general settlement" on the basis of such a system of regional pacts at the best means to "contribute to the restoration of confidence and the prospects of peace among nations":

"This general settlement would make provision for the organisation of security in Europe, particularly by means of the conclusion of pacts, freely negotiated between all the interested parties, and ensuring mutual assistance in Eastern Europe."

The Stresa Conference of Britain, France and Italy in April 1935, reaffirmed this decision.

All these proposals, however, met with a flat negative from Germany and Poland. Germany was only prepared to agree, not to mutual help against attack, but to the abstract principle of "non-aggression" (already covered in the Kellogg Pact and shown inadequate) and "non-assistance to the aggressor," i. e. the Fascist principle of the "localisation of war." In consequence, the Eastern Security Pact, which was to have included Germany equally with France and the Soviet Union, finally emerged, owing to the refusal of Germany to participate, as the Franco-Soviet Pact in May 1935.

The Franco-Soviet Pact was immediately attacked by all Nazi and Fascist propaganda as a "military alliance" and equivalent to the encirclement of Germany. Nothing could be further from the truth. The Franco-Soviet Pact, which was expressly by its terms drawn up within the limits of the Covenant of the League of Nations, marked a new departure in this type of agreement for the maintenance of peace by explicitly including in its terms (in the attached Protocol) the declaration that it was open and remained open for Germany to join:

"The two Governments put on record that the negotiations which have just resulted in the signature of this treaty were primarily entered upon in order to complete a security agreement comprising all the countries of North-Eastern Europe—the U. S. S. R., Germany, Czecho-Slovakia, Poland, and the Baltic States bordering upon the U. S. S. R.; besides this agreement there was to have been concluded a treaty of assistance between

comprising all the countries of North-Eastern Europe—the U. S. S. R., Germany, Czecho-Slovakia, Poland, and the Baltic States bordering upon the U. S. S. R.; besides this agreement there as to have been concluded a treaty of assistance between the U. S. S. R., France, and Germany, under which each of these three States would be pledged to the assistance of any one of them subjected to an aggression on the part of one of those three States. Although circumstances have not hitherto permitted the conclusion of these agreements, which the two parties still look upon as desirable, it remains a fact, nevertheless, that the undertaking set forth in the Franco-Soviet Treaty should be understood to come into play only within the limits contemplated in the tripartite agreement previously projected."

It would be a highly curious form of "encirclement" in which the supposed "encircled" party is continuously invited to join as an equal partner, and refuses only by his own will in order to pursue his openly proclaimed plans of aggression.

The Franco-Soviet Pact, within the Covenant of the League of Nations, is to-day, when the Locarno Pact and all the other instruments have broken down, the principal pillar of peace so far as diplomatic machinery can go. The extension of this system to a similar series of agreements with the Soviet Union, which remains the centre of the fight for peace in the diplomatic field, on the part of other imperialist Powers opposed to immediate war, would offer the maximum possibility under existing conditions for strengthening the front for peace in the diplomatic field in order to impede, at any rate for a period, the race to war.

4. Collective Security

From the above analysis some provisional conclusions may be drawn on the vexed question of "collective security."

The abstract principle of collective security may be simply stated. It is drawn as the practice

conclusion from the undoubted fact of the interdependence of the world and the "indivisibility of peace." The essence of the principle may be defined as follows: Given a world of independent sovereign States, the only conditions under which these could conceivably keep the peace among themselves, short of accepting federation or any common sovereignty, would be by their uniting to maintain and carry out a pledge of combined action by the entire force of the remainder against any State having recourse to war, with the consequence that the certainty of such overwhelming opposition would in practice restrain any State from having recourse to war, or, in the extreme event of the attempt being made, would speedily bring it to an end.

Stated thus abstractly, the doctrine of collective security has the degree of conclusiveness of a mathematical proposition; and, in the abstract, none would venture to quarrel with it save those who hold the alternative Fascist doctrine of the "localisation of war," that is, who regard war as inevitable and conceive it to be the highest duty of statesmanship to "localise" its outbreaks. For such critics the doctrine of collective security appears as the "universalisation of war."

"The new theory of collective security was simply a dangerously misleading name for a military alliance, the effect of which would be to turn every local dispute into a world war."

(Lord Lothian, Lecture at Lincoln's Inn,
The Times, May 29th, 1935)

Against such critics, representing in fact the Fascist and pro-Fascist schools of thought, all supporters of international peace would with justice defend the line of collective security as representing in comparison the line of the fight for peace.

But when we come to apply this abstract principle of collective security to the realities of imperialism, we come to more complex questions. For we then have to take into account the real Power-relations of

imperialism, which inevitably deflect and distort for their own purposes the principle of collective security; and it is this fact which is sophistically exploited by the Fascist advocates in order to discredit the whole principle of collective security and thus smooth their path to war.

In the first place, no universal combination of imperialist Powers can in practice be counted on. The experience of the League of Nations and the basic split by the isolationist line of the United States, reflecting the dominant antagonisms of imperialism, have illustrated this, as also the subsequent passing out of the Powers most actively driving to war. The ideal of the union of all the rest against the single violator of peace is in conflict with the contradictory special interests and relations of the imperialist Powers, and in consequence suffers repeated shipwreck in the real world. The experience of the League of Nations has shown that, where the Great Powers are in agreement, in dealing with the dispute or aggression of some smaller country or countries (as in the Greek-Bulgarian conflict of 1925), there collective action to restore peace can be rapid and effective. But where the Great Powers are in disagreement, or the action of one of their own number is in question, there at once the path of collective action is heavily paralysed, because the transgressing Power can always count on open or secret support from among the other Powers. When Japan went to war in open violation of the Covenant in 1931, Britain gave diplomatic support to Japan and paralysed any action. When Italy went to war in violation of the Covenant in 1935, France was diplomatically tied to Italy and impeded action, while both Britain and France were committed by previous partition agreements to Italy, and sought repeatedly to achieve a "settlement" by awarding spoils to the aggressor at the expense of the victim of aggression. When Germany repeatedly violated international agreements in 1935 and 1936, Britain gave diplomatic support to Germany and broke the common front, as in the Anglo-German Naval Agreement of June 1935, immediately after the formal joint condemnation of German unilateral repudiation of treaties by re-arming, and again in the crisis over

the repudiation of the Locarno Pact and the de-militarisation of the Rhineland in 1936.

These realities of imperialist relations have to be taken into account in estimating the possibilities of the line of collective security as a line of prevention of war. This does not mean that the line of collective security is therefore to be rejected as valueless. But it does mean that the line of collective security, the realisation of which is dependent on the police of imperialist Governments, can never be a substitute for the independent struggle of the masses of the peoples themselves in all countries for peace and against the policies of their Governments driving to war. In the existing situation the only Power which is genuinely interested in the line of collective security as a universal line is the Soviet Union. In all other States, so long as power remains in the hands of capitalism, the policy pursued will depend on the play of forces both between the different sections of capitalism and also on the relation of forces between capitalism and the mass movement (the role of the people's front in France in finally, after prolonged struggle, overcoming the reactionary opposition to the ratification of the Franco-Soviet Pact, and in enforcing so far its maintenance, illustrates this process). The central factor in the struggle for peace is the independent mass struggle, led by the working class, in unity with the peace policy of the Soviet Union. The strength of this factor will in practice also determine the degree of realisation of the line of collective security.

Thus a new stage is reached in which the line of the fight for peace and for collective security becomes, not the abstract preaching of a juridical ideal as a panacea, which is constantly ignored and violated by an unfeeling world, but the active organisation and struggle of the mass forces in all countries, in unity with the Soviet Union, against war and for peace, utilising the diplomatic machinery of collective security only as an auxiliary weapon to the basic weapons of mass struggle (united international working-class action, stopping of supplies to the Fascist war-makers, etc.).

But this is a new and deeper realist conception of collective security.

The basic failing of all the abstract Liberal idealist juridical presentations of collective security as the panacea against war, is that they build their conception on a completely abstract legal picture of a world of equal sovereign States, and not on the real picture of the imperialist world. The parallel is often drawn between the community of States and a community of individuals, as if the proposal to prevent war between States by the system of collective security were analagous to the methods of maintaining "law and order" among individual citizens within a State. Thus in advocating "an ordered society of nations" by a system of "collective guarantee and pooled security" L. S. Woolf writes :

"Within the State we have learned by experience that civilised life is not possible unless human nature submits to the restraints of law and order. In the course of a few hundred years we have completely altered human behaviour, and the civilised man lives in peace with his next-door neighbour, or if he quarrels with him or disagrees with him, does not claim to be judge in his own case or club his neighbour over the head or stick a knife into his back or shoot him ; he either settles his dispute by compromise or arbitration or takes it to the courts for decision of a judge according to the rules of law. And in order to make it quite certain that he shall behave in this way, he and his fellow-citizens maintain a police force which will prevent him 'taking the law into his own hands.' But in international relations, in the relations *between* States, we adopt an entirely opposite method. There we maintain a system of anarchy. . . . The problem of preventing war is the problem of substituting a different system, a system of international law and order, for this anarchy."

(L. S. Woolf, Introduction to *The Intelligent Man's*

Way to Prevent War, 1933, p. 11)

The parallel breaks down, not only because the "law and order" within a modern State is the reflection of an absolute sovereign power for which no counterpart is proposed in the system of separate States organised on the basis of "collective guarantee and pooled security," but also because the relations between States are not comparable the relations between individuals. The abstract approach leaves out of account the inequality of strength and power of States, an inequality which reaches its extreme point in the condition of imperialism. If the sixty or so nominally sovereign States were all more or less equal homogenous units, it is conceivable that the common interest of the majority in any given case could be counted on to over-ride any attempted violence of one or a few. But in fact the overwhelming balance of force rests with the Great Powers; and there are only six imperialist Powers and one Socialist Power. In so small a grouping the question of any "collective" organisation of order takes on a far more doubtful and precarious character. If a single imperialist Powers breaks loose, and draws another into alliance, the whole balance is tipped over and the fight for collective order is in danger of turning into a fight for rival alliances. In other words, in dealing with the imperialist Powers, who constitute the real problem of world politics, we are dealing, not with an imaginary community of simple citizens whose problem is to establish the rudiments of law and order among themselves, but rather with a set of double-crossing gangster kings, engaged in a ceaseless internecine conflict over their respective territories and spoils. To these the ideal proposals of "collective security" are of very doubtful relevance or interest save as a new trick on the game to score a point against a rival.

Hence we need to beware of all abstract legalist illusions on the questions of collective security. We need to beware of the possibility that in a particular case the attempt may be made to turn the slogan of collective security into its opposite and make it the cover for imperialist conflicts. This is especially important because the principle of collective security is commonly identified with the Covenant of the League of Nations. In general, these may be expected to march together

in the immediate future ; since, so long as the Soviet Union is a Permanent Member of the Council, no *unanimous* Council decision of a reactionary imperialist character could be taken, which could then be presented for enforcement in the name of "collective security" — the main danger inherent in the Covenant before the Soviet Union was a member. This danger still exists in the case of a dispute affecting the Soviet Union ; since unanimity on the Council apart from the parties involved in a dispute is sufficient to secure enforcement of any measures decided and this power could rest in the hands of the imperialist States on the Council, if they combined in a *bloc* to utilise the machinery unscrupulously, and in flagrant opposition to the facts of the case and the peaceful policy of the Soviet Union, against the Soviet Union. The contingency is, however, remote at present, especially so long as the Franco-Soviet Pact is valid. But the Covenant still contains a number of vicious and reactionary imperialist elements, such as Article 22 on Mandates ; by Article 15 it still leaves the way open for "private war" ; the operation of the crucial articles for collective security, Articles 10, 15 and 16, is still extremely ambiguous, uncertain and hedged with legal snares (when China appealed under Article 10 against the violation of its territorial integrity, it was decided that the rule of unanimity required the assent of the violator, Japan, to any decision ; the definite declaration of Article 16 that, in the event of any member State resorting to war, "it shall *ipso facto* be deemed to have committed an act of war against all other members of the League, which hereby undertakes immediately to subject it to the severance of all trade or financial relations," has already been destroyed and robbed of its original meaning by the application of only partial and gradual economic sanctions against Italy). The rule of unanimity makes it possible for any imperialist or Fascist State on the Council, if not directly a party to a given dispute, to paralyse any effective decision for action and thus destroy the principle of collective security at the very moment when it is needed (it is for this contingency that the Franco-Soviet Pact makes special provision).

In consequence of all this, it is impossible to place any simple, legalist confidence in the working of the Covenant of the League of Nations as the automatic expression of the principle of collective security. It is necessary to beware of the snares of imperialist governmental pacifism which seeks to paralyse the mass struggle for peace by preaching confidence in the League of Nations. The forces of the struggle for peace cannot afford to place a blank cheque in the hands of any imperialist machinery, lest they become the pawns of imperialism, but require to determine independently at each point the line of the fight for collective security and for peace.

This independence applies with particular importance to the working-class movement in each country, the representative of the future world order. The independent working-class struggle and the international united working-class front is the pivot of the struggle for peace. The world forces of the struggle in unity with the Soviet Union, will need to judge their line in each particular case and situation concretely according to the aims of the struggle for peace and against the war-makers.

In the second place, it is necessary to remember that the principle of collective security can be no permanent solution for the problem of the prevention of war. The principle of collective security operates to prevent recourse to war for the solution of disputes between States and to compel recourse to pacific means. What are the pacific means? For all minor issues, for what are called "justiciable" issues, questions of fact or of the interpretation of treaties, plentiful means exist of an arbitral or judicial character, such as the World Court of International Justice established under the Covenant (but not participated in by the United States) or the provisions under the Arbitration Treaties existing between many countries. But for the major issues of conflict of imperialism, for the revision of treaties against the will of one set of signatories, for changes of frontiers, claims to territory, colonial

possessions or spheres of influence, in short, for the issues of the re-division of the world, there are in the final resort no pacific means of settlement in a world of sovereign imperialist Powers; for these issues are in reality reflections of the relations of power, and not of any abstract law or "justice" or "equity" (as if one division of colonies could be more "just" than another, when all alike are founded on violent domination), and relations of power can only be finally tested by war. No arbitral court can compel a sovereign State to surrender territory or revise a treaty against its will. Article 19 of the Covenant empowers the Assembly of the League of Nations to "advise reconsideration of treaties which have become inapplicable." Only in three cases has this article been invoked, by Bolivia, Peru and China; in all three cases the issue was left untouched. If the Power in possession refuses change, and the challenging State is prevented from using the weapon or threat of war to compel change, there is no means of compelling change in the absence of a sovereign world authority.

This line of argument is utilised by Fascism in order to attack the whole principle of collective security as the "perpetuation of the *status quo*." On this ground Fascism condemns collective security and proclaims the right of war as the necessary and inevitable weapon of change. It is obvious that this argument of Fascism can only have validity for those who accept the imperialist premise of the "right" of the expanding imperialist Powers to obtain a major share of the domination of the world. It is perfectly true that the principle of collective security does tend in practice to maintain the *status quo*, which is itself only the outcome of previous wars and victor treaties, i. e. to maintain a far from ideal state of affairs. The Fascist "remedy" of war, however, would be worse than the disease. The positive value of collective security is not as a solution of the problems of imperialism, which from its nature it cannot attempt, but as a temporary method within the conditions of imperialism to delay the outbreak of war. The solution of the problems arising from the existing division of the

world cannot be reached within imperialism; and the attempt to discover such a solution on the part of would-be supporters of peace only assists the war offensive. This question is further discussed in the next chapter.

The difficulty in reality arises from regarding collective security as a possible permanent system of world organisation, which it could never be (i. e. from regarding the existing system of capitalist States as eternal), instead of as a temporary device against an immediate menace of war, pending the transition to a new world order. If the attempt were made to maintain the system of collective security, which in practice tends to hold fixed the existing relations of imperialism, as a permanent system of world organisation, then undoubtedly sooner or later the dynamic forces of expansion within imperialism would burst against it and overthrow if imperialism has not itself been overthrown before that point is reached. Collective security is no permanent solution of the problem of war, but at the best a temporary stop-gap against the immediate menace of war.

Does this mean that the Fascist conclusion in favour of war as the supposed historically necessary means to realise the new division of the world is justified ? On the contrary. For the method of war, even in the far from certain event of it proving successful for the challenging Powers and leading to a new division, leads in turn by the same logic only to renewed battle once again for re-division. There is no solution along this road. Neither the artificial stabilisation of collective security, if conceived as a permanent system, nor the destructive path of Fascist war, can offer any solution for the world problems which give rise to war, because the conditions of imperialism exclude any solution. The final solution lies outside the conditions of imperialism, through unified world socialist organisation, alongside complete national liberation (as exemplified on a regional scale in the Soviet Union), thus eliminating the questions of the division of the world, of colonies, of frontiers as expressions of power-groupings, of monopolies, of

raw materials, etc. Towards this final solution the mass struggle, led by the working class, against imperialism and against imperialist war, leads the way. The fight for collective security is only a temporary weapon in this struggle.

CHAPTER VI

The Issue of The New Division of The World

"Is the ownership of the world to be stereotyped by perpetual tenure in the hands of those who possess the different territories to-day? . . . The world continues to offer glittering prizes to those who have stout arms and sharp swords, and it is therefore extremely improbable that the experience of future nations will differ in any material respect from that which has happened since the twilight of the human race.'

Lord Birkenhead, Rectorial Address to
Glasgow University, November 7th, 1923

Since the close of the first world war for the re-division of the world, the post-war period has seen the continuous advance of imperialism, by its inner law of motion, to renewed battle for the new division of the world.

To-day that advance has become a headlong race to war. All the States are arming for the battle on a scale that leaves 1914 in the shade. Japan and Italy have already taken the plunge and are engaged in wars of conquest. The third main driving force to war, Nazi Germany, is organising its entire strength for the future struggle. France is increasing its military forces. Britain is engaged on a new rearmament programme. The United States is pressing forward military, naval and air preparedness. The Soviet Union, which alone of the Powers holds no colonies or subject territories, and has no territorial ambitions, but is surrounded by the open aggressive aims of expansions of Nazi Germany and Japan on either side, is compelled to increase its armaments for defence.

For what are the imperialist Powers arming? For what are they already, in the case of Italy and Japan to-day, sending their sons to the slaughter? For

"defence" ? The open propaganda of the war-making Powers denies it and proclaims without concealment the aim as the need for "expansion." The logic of the pacifists riddles the paradox of such a simultaneous arming for "defence." But the logic of pacifism does not affect the real logic of imperialism. The imperialist Powers are arming for the battle for the new division of the world.

1. The Theory of the "Haves" and the "Have-Nots"

After a long period of illusions that the settlement at the close of the last war had established a final settlement for a war-weary world, to-day the issue of the new division of the world has forced its way to the front of general consciousness and become a burning issue of discussion. On all sides the "inequality" of the existing division of wealth, material resources and colonies between the Powers is discussed, and proposals are put forward, in a spirit of enlightened statesmanship, for considering a possible "re-distribution" of colonies or of colonial "mandates" or of supplies of raw materials, Hitler, Mussolini and General Araki on one side of the frontier, and the British Foreign Secretary, and Archbishop of York and Mr. Lansbury on the other, join in the chorus. In the existing "inequality" of division is found the true cause of world conflicts and of the drive to war, and the solution is sought in projects for a peaceful "revision" and "re-distribution."

Thus is developed the current fashionable theory of imperialist war, which is used in fact to justify and rationalise the drive to war, the theory of the "Haves" and the "Have-Nots." It should, perhaps, be explained to unsophisticated readers that in this current bourgeois theory the "Haves" and the "Have-Nots" are not of course the bourgeoisie and the proletariat; the "Have-Nots" are the German, Italian and Japanese millionaires.

This theory contains a dangerous half-truth, and conceals the real dynamic of imperialism as a whole. It is dangerous and misleading in practice, as any substitute for an adequate theory of imperialism, for four main reasons.

First, because it serves in practice as the apologetic for the Fascist drive to war, concealing the real class-issues underlying the difficulties and distress in the Fascist countries, and the drive to expansion, and diverting attention solely to supposed external causes.

Second, because it presents the most highly armed and predatory modern imperialist systems, British and American imperialism, as innocent peace-seeking forces in the world.

Third, because it raises reformist illusions of a peaceful solution of imperialist antagonisms by some form of re-distribution of colonies, internationalising of access to raw materials, etc.

Fourth, because the whole theory is built on the vicious imperialist assumption of the necessity and permanence of the subjection and exploitation of the colonial peoples, and finds the "injustice" and source of conflict only in the non-possession of colonies by certain Powers, not in the colonial system itself.

It will therefore be worth while to examine a little more fully this theory, in relation to the real character of the imperialist drive for expansion and for the new division of the world, before coming to a study of the main arenas of conflict and the main forces at present driving to war.

The theory of the "Haves" and the Have-Nots," or of the "satisfied" and "unsatisfied" Powers, is in itself no new one, and indeed, stated thus abstractly, has been the permanent commonplace of diplomacy. Bismarck long ago made the distinction between "satiated" and "unsatiated" States. A typical modern statement may be taken from the American work, *The Great Powers in World Politics*, by F. H. Simonds and Brooks Emeny (New York, 1935), which contains an invaluable study of the relative resources of the leading Powers :

"Among the various Great Powers there exists a primary distinction which exercises a decisive

influence in determining the character of their foreign policies....The Great Powers are divided into those who possess and those who seek to possess. Accordingly, the controlling purpose of the former must be to defend advantages already acquired, and of the latter to acquire similar advantages. The national policies of the first group will therefore be static, and those of the second group dynamic.

“Whether the policy of a State is static or dynamic will necessarily depend upon its physical circumstances from which are derived the basic factors of that policy, the geographic, the economic, and the demographic. In a word, the key to the policy of a State must be sought in the position of its land, the extent and nature of its material resources, and the economic and ethnic circumstances of its people....

“To pursue its national policies successfully, a dynamic Power has no other choice but an appeal to force. To build a bridge between the static and dynamic Powers and thus to establish a condition of actual peace, it would be necessary to bring about some compromise between the rights of the former and the claims of the latter....In the absence of any such compromise, partnership between the static and dynamic Powers would obviously amount to a combination of the Haves and the Have-Nots which would keep the former for ever rich and the latter eternally poor. Such a bargain being clearly out of the question, the only alternative is an alliance of the Haves to impose the *status quo* upon the Have-Nots permanently by means of their superior strength. But here again the partnership of the Haves would be possible only on the basis of parity....

“Actually it is not because people are wise or stupid, educated or illiterate, good or bad, that their national policies are static or dynamic. Nor is it because their skins are white or yellow, or their language English, French, German or Italian. Even

forms of government, whether democratic, Fascist or Communist, have little to do with the question, although they may dictate the spirit in which national policies are pursued....

“What counts is whether peoples live on islands or continents; whether their countries are situated in Europe, Asia or America; whether they have natural resources to supply their industry and food supplies to feed their populations.”

A similar line can be traced in all current political expression. In the period of sharpened imperialist battle for the possession of the world, the old divine, semi-divine, abstractly political or Liberal idealist theories of history and policy (which still dominated the ideology accompanying the war of 1914) are flung overboard as obviously untenable, and replaced by a crude physical economic-geographical materialism, which still conceals the real dynamic of class-forces and property relations underlying imperialism, and endeavours to present imperialism as an expression of eternal “natural” laws. This theory in turn leads to full sympathy for the Fascist expansionist war drive. Thus we find Lord Esher declaring in the House of Lords on May 1st, 1935 :

“Germany and Japan were expanding and dynamic nations, very much the same as England had been for a hundred years, and we ought thoroughly to understand their point of view. The failure of the League, or the Great Powers in the League, to deal with those expanding and dynamic nations had forced them out of the League. The result was that they had got the satiated Powers in the League and the hungry Powers outside, so that the League became really not a League at all, but an alliance of those nations who were satisfied with their position against those nations who were not satisfied with their position. Our interest was to belong to a genuine League and not to an alliance.”

The theory spreads its poison to the upper circles of the Labour movement. Thus at the time of the

Japanese aggression on Manchuria and bombardment of Shanghai we find a former Labour Government Minister, H. B. Lees-Smith, expressing his sympathy for Japan (in a speech at Wellingborough on March 19th, 1932).:

“Japan had an undoubted case against the rest of the world, which we must now admit. She could not support her population without foreign trade, which would bring her the food and raw materials without which she could not live. How was Japan to live? She was desperate. If we were in her position we should not die quietly, but we should undoubtedly burst out somewhere, as she had done in Manchuria and Shanghai.”

Similarly, Dr. Salter, seconding the Labour motion for an international conference on “access to raw materials and to markets,” quoted Sir Thomas Holland’s well-known analysis of the distribution of twenty-five indispensable primary commodities, of which the British Empire had adequate supplies of eighteen and none of only five, whereas Japan had none of seventeen, Germany had none of nineteen and Italy had none of twenty-one (he forgot to add that France also had none of nineteen), and continued :

“If those facts were even approximately correct it meant that there was a group of nations which might legitimately describe themselves as the ‘Have-Nots’ of the world. It could not be expected in these times that virile, enterprising and spirited nations like those were likely to sit down quietly and accept the situation, to be restricted in self-development, and to be deprived of the actual necessities of modern civilised life, while many of their people were actually semi-starving.”

It will be seen that this Labour representative, in his eagerness for justice for such “virile, enterprising and spirited nations” as Nazi Germany, Fascist Italy and Fascist-militarist Japan, has transposed the conception of “Have-Nots” from the dispossessed workers of all imperialist countries, and not least of the British Empire (“many actually semi-starving”), whom it

was his duty to represent, to the rich and powerful imperialist groups of the Fascist war-making States, whose spokesman this ultra-pacifist has allowed himself to become.

An attempt to correct this too crude formulation of "Haves" and "Have-Nots" into a vaguer formulation of "satisfied" and "dissatisfied" Powers was made by Dr. G. P. Gooch in an address to the Historical Association in London on January 4th, 1936, on "British Foreign Policy Since the War":

"This country came out of the war absolutely satisfied with what it had got. After the conquest of the Sudan in 1898 and of the Boer Republics in 1902 we said, and meant, that we were satiated, in the sense that we had everything we wanted in the world. That was still truer in 1918 when we came out of the war with an enormous addition of colonial possessions."

There is obviously a hitch in the theory here. Britain is presented as "satiated" in 1902, only to reappear as with sufficient appetite to absorb "an enormous addition of colonial possessions" in 1918, and is then presented anew as "absolutely satisfied" (no doubt until the next "enormous addition of colonial possessions"). Innocent of the contradiction, Dr. Gooch proceeds with his classification:

"The main cause of all the trouble since the war and of all the trouble in the world to-day was the sharp antagonism between the satisfied and the dissatisfied Powers. He did not like the common phrase, "the Haves and the Have-Nots." Germany was a "Have-Not" for the time being, but could Japan be properly described as a "Have-Not"? The phrase, "the Haves and the Have-Nots" was much too popular to be correct, let alone scientific. It was much simpler and more correct to speak of the satisfied and dissatisfied Powers.

"The satisfied Powers were Britain, France, the United States and Russia. On the other side were

the three dissatisfied Powers—Japan, Italy and Germany. The satisfied Powers naturally desired the maintenance of the *status quo* or its minimum disturbance; and the dissatisfied Powers inevitably desired, if not indeed to restore the old *status quo*, at any rate to modify the new *status quo*, to their own advantage, by diplomacy or perhaps by war. The main object of British foreign policy since the war had been the maintenance of peace, not merely because we loved peace and hated war, but also because we were utterly and absolutely satisfied with our possessions and our position in the world.”

It will be seen from these and similar quotations, which could be paralleled at the present day from all sides and from widely differing schools of thought, that the conception of the struggle for the new division of the world is to day openly recognised in all current expression as the pivot of world politics. But while the immediate superficial facts thus compel recognition, and in particular the openly aggressive expansionist role of Japan, Italy and Germany forces itself on the attention of all as the key problem, the situation is still commonly presented in such a way as to conceal the real driving forces of imperialism and of imperialist contradictions, and in consequence to give rise to illusory conceptions of the path of solution.

The imperialist drive to expansion is presented as the reflection of natural disabilities, lack of space, land, resources, raw materials, etc., resulting in “over-population” and “semi-starvation” of the inhabitants of the country in question, and leading them to “burst out somewhere” (in Mr. Less-Smith’s phrase). These natural and physical disabilities, resulting from the existing division of the world, are regarded as the source of the drive to expansion and to war on the part of the “Have-Not” Powers, as the permanent factors governing the foreign policy of every State, whatever its regime, and as the consequent subject-matter of the real problems of world politics.

It does not require prolonged examination to see that this approach is not only inadequate and one-sided, owing to the attempt to isolate the physical economic factors from the historical structure of productive relations and the actual class-system of the given country, but also in consequence fails to correspond to the plain facts of world politics. For, curiously enough, this reasoning is always applied only to the Great Powers which can make their voices heard and use military means to challenge the existing division and enforce their claims to such resources as they lack, and never to the small countries, whose lack of the same resources may be very much greater, but which have to manage as best they can. If lack of the twenty-five indispensable primary commodities were the decisive cause of revisionist and expansionist policies, then the small States would be the leading revisionist and expansionist States, instead of being, as they are at present, the most faithful pillars of collective security in the capitalist world. Similarly, if relative "over-population" in the sense of extreme density of the population to the arable area and extreme low standards of living were the natural cause of the drive to expansion, then India, China and Java would be the great expansionist Powers of the world. It follows that this theory is not, as it falsely presents itself, a theory of States and peoples in general and their economic needs, but solely a theory of imperialist Powers and their needs *on the basis of their role as imperialist Powers*.

In other words, the "necessity of expansion," the "inevitable drive to expansion" is *relative to the existing social order* in the State in question. This is most sharply brought out by the contrast between the expansionist policy of Tsarist Russia, an imperialist Power, and the peace policy of the Soviet Union, a socialist Power, although the Soviet Union occupies a more restricted geographical area than Tsarist Russia did. Owing to its superior social system, the Soviet Union is able to develop its area with immeasurably greater efficiency than Tsarist Russia, and to ensure continuously rising standards of life for its inhabitants without need of expansionist policies.

The old expansionist policies of Tsarist Russia, the drive for Constantinople, which was maintained also under Miliukov and under Kerensky right by to the Bolshevik Revolution, used to be explained by the theorists of the pseudo-scientific school of imperialism as the "inevitable" expression of Russia's "geographical" need of ice-free access to the sea. What has happened to that theory to-day? To-day the same theorists coolly explain the peace policy of the Soviet Union by declaring that "Russia" (with a more restricted area than the old Tsarist Empire) obviously belongs to the "satisfied" Powers. Thus on the night of November 7th, 1917, in the transition from Kerensky to the Soviet regime, Russia changed from a "dissatisfied" to a "satisfied" Power, and yet "forms of government, whether democratic, Fascist or Communist, have little to do with the question" (Simonds and Emeny in the quotation already given above). A brilliant theory! To add to the confusion, it may be noted that a few years ago, when the Soviet Union, following the line of Rapallo, gave diplomatic support to democratic-republican Germany against the Versailles domination, and was in consequence commonly counted in the "revisionist" bloc with Germany and Italy (see, for example, De Balla, *The New Balance of Power in Europe*, 1932), this was explained by these same theorists on the grounds that the Soviet Union was a "dissatisfied" Power in opposition to the *status quo* ("Since the Entente victory and the peace settlements of 1919, the new victors have become *status quo* States, and the vanquished are now 'revisionist,' i.e. *revancharde*, in their policies; the coalition of France, Belgium, Poland and the little Entente confronts a still inchoate coalition of Germany, Austria, Hungary and Bulgaria, with the U.S.S.R. and Italy lending occasional support to the revisionist group"—Schuman, *International Politics*, 1933, p. 510). To-day, when in the face of the Fascist war offensive of Germany, Japan and Italy, the Soviet Union gives support to the line of collective security against the war offensive, this is explained on the grounds that the Soviet Union is a "satisfied" Power. It is unnecessary to follow further the confusions and self-contradictions of these theories of the apologists of imperialism.

The foreign policy of a given State is a function of its inner system of class-relations, and not vice versa. The existing conflict between the imperialist Powers in possession and the "dynamic" or challenging imperialist Powers cannot be understood except in relation to the dynamic of imperialism as a whole and its drive for expansion, which leads to the present insoluble problems and contradictions of interimperialist relations. The foreign policies and the wars of the capitalist States can be traced through three main stages, corresponding to the stages of capitalist development.

First, the epoch of mercantile capitalism, when the early capitalist forms were still breaking through the bonds of feudalism, when capitalist trading preceded the capitalist organisation of production, and the home market was still undeveloped; the wars of this period were mainly wars to overthrow the old feudal, local barriers and establish centralised States, or wars of colonial conquest, for trade and plunder, laying the foundations of early capitalist accumulation.

Second, the epoch of industrial capitalism, when the colonies were regarded as of doubtful practical value; capitalist production was organised, the home market was developed, and the mass production of cheap goods broke down all barriers; the wars of this period were in the main wars to establish the modern nation-States or areas of the home market, or exceptional colonial wars to break down special barriers to the free entry of goods, as in the British Opium Wars on China.

Third, the epoch of imperialism or monopoly-capitalism, when the colonial question becomes the central question of foreign politics and war, since each monopolist grouping strives to secure exclusive domination of the maximum area of exploitation, for the control of raw materials and markets, and for the export of capital. The continuous accumulation of capital seeking outlet, and expansion of productive power, and the limitations of consumption within the

conditions of capitalist class-relations, with the consequent recurrent menace of depression and a falling rate of profit, lead to a continuous drive to expansion for new areas to open up and exploit, both as a market for the export of capital and for the accompanying export of goods, mainly production goods, railways, etc., and to a lesser extent consumption goods, and drawing in return raw materials extracted from the native population which is compelled by all manner of coercive means of the State power to labour for starvation prices. This whole process leads to the realisation of imperialist "super-profits" or a higher rate of profit on the basis of colonial exploitation, and the corresponding development of the whole social structure of the metropolitan country on this basis. The accelerating advance of this process of expansion leads to the rapid division of the whole available world between the handful of imperialist Powers. Then, in the era of fully developed imperialism, begins the battle for the re-division of the world between the rising monopolist groups whose possessions do not correspond to their potential rate of expansion, and the monopolist groups already in possession of the maximum areas and subject populations. This struggle constitutes the theme of modern imperialist war, of which the first round began in 1914, and the second round threatens to-day.

This ceaseless and perpetually renewed struggle develops continuously out of the conditions of imperialism. *The particular expression of this conflict at any given stage, the struggle between the so-called "satisfied" and "dissatisfied" imperialist Powers, between the so-called "Have" and "Have-Not" powers, is only the reflection of the law of the inequality of capitalist development, and continuously arises anew out of each new "solution."* The Liberal pacifist theories of a peaceful solution of this struggle within the conditions of imperialism by a re-distribution of colonies, international control of colonies, freedom of access to raw materials, etc., arise from a failure to understand the workings of imperialism, and represent in the end the basically false assumption of the possibility of a static relation of

forces between rival monopolist groupings of capital developing at different rates, with different degrees, of development of the productive forces, etc. In particular, they fail to understand the purpose of the colonial policy of imperialism, and break down because they endeavour to apply the conceptions of industrial capitalism, of freedom of buying and selling, to the conditions of imperialism or monopoly-capitalism, whose essential character is the striving for exclusive domination of a given area of exploitation. This question it will be necessary to examine further in the next section.

What of the imperialist Powers in possession who find themselves confronted with the attack of the challenging Powers? Are they to be regarded as "satiated" and therefore basically and permanently "pacific" Powers? This is the theory of the apologists of British imperialism.¹ But this theory fails to take into account that no imperialism is ever "satiated"; the drive to expansion is ceaseless, if the possibilities are present. The simplest proof of this is the rule of British imperialism before and

1 This theory of the "pacific" role of British imperialism has also spread its poison in the upper strata of the Labour movement. Thus we find in the Labour College publication *Why War?* :

"The difference between the 'peace group' of nations and the 'war group' is the difference between satisfied and unsatisfied countries. France and Britain are well provided with colonies and could not gain much by a war..... So, naturally, therefore, Britain is more honestly in favour of disarmament than other countries" (p. 36).

Britain's "honest" support of disarmament in contrast to "other countries" was no doubt exemplified in the British rejection of all the Soviet Union's disarmament proposals, and in the Lord Londonderry's famous boast of his successful fight to prevent the abolition of air-bombing. This supposedly "Labour" view, issued with the official imprint of the National Council of Labour Colleges, is more favourable to British imperialism than the view of one of its members of the British Delegation to the Disarmament Conference, Mrs. Corbett Ashby (in the *Manchester Guardian*, March 12th 1935):

"It is my considered opinion that the British Government carries the main responsibility for having wrecked the Disarmament Conference."

after 1914. The same argument that is to-day presented that British imperialism is "satiated" and therefore pacific was already presented with no less show of justification before 1914. We may compare the statement of Dr. Gooch in the quotation already given above that in the decade before 1914 "we were satiated, in the sense that we had everything we wanted in the world." This did not prevent British imperialism busily scheming during that decade to extend its influence in Persia and the Middle East, conducting military operations in Somaliland and Tibet, pressing forward policies of partition and joint spoliation in China, preparing with extreme diplomatic skill the war against German imperialism, and crowning its victory in that war by absorbing another two million square miles of territory. A "satiated" imperialism is thus fully capable of carrying forward further expansion and organising new war. The only difference in the position of British imperialism, representing the Powers in possession, is that its problems of defending its already enormous possessions are more complicated, that any new war is therefore more hazardous for it and only to be undertaken with extreme care and preparation under conditions guaranteeing victory, failing which it will tip the balance for peace in a given situation, and that the type of war it is likely to organise, apart from minor colonial wars, will rather be a war of coalition to strike down a rising rival or menace before that menace is too strong. This is the maximum measure of the "pacific" role of British imperialism. But an old tiger in danger of losing its supremacy, though walking warily, may be all the more dangerous in the moment of launching battle. This German imperialism learned in 1914. The lesson may be learnt anew in a fresh context in the future, and may prove startling to those innocents who have swallowed the illusion of the tiger turned pacifist.

1. Since writing the above, there has occurred, in connection with the British rearmament programme, the declaration of the Bishop of London in the House of Lords debate on March 11th, 1936 :

2. *Proposals For the Peaceful Re-division Of Colonies or of Colonial Raw Materials*

One of the most ominous signs of the near approach of renewed imperialist battle for the re-division of the world is the appearance in all quarters, including official quarters, of proposals for a peaceful settlement of the issues in conflict by an agreed partial re-distribution of colonial possessions. These proposals may be made in all sincerity to avert the impending conflict, not only in Liberal idealist quarters, where visions are entertained of some kind of international unification of imperialism on a new basis (an "international mandate system" for all colonies, or "a world consortium, a federal board for the direction of world production and trade," as recently proposed by H. G. Wells), but also to a certain extent in a given situation in official quarters, where the more limited proposals made (international inquiry into the distribution of raw materials, or partial reallotting of colonial mandates) represent tentative suggestions of minor concessions from the Powers in possession to the challenging Powers in order to forestall a major attack. But these proposals bear and can bear no relation to the real measure of the issues in conflict, since no imperialist Power in possession will suffer a major loss without a struggle. In consequence, the significance of these proposals and these discussions which fill the air to-day, is rather as a barometer of the gathering intensity of the issues of the new division of the world.

On the eve of 1914 negotiations were entered into between Britain and Germany for colonial re-division, and brought near to completion. In August 1913 an agreement was initialled between Britain and Germany for the cession of the Portuguese colonies in Africa

"When he was in China, they used to say that England was a tiger which had lost its teeth. Well, let us give the tiger a new set."

Well said, most Christian Bishop! That is at least more honest than the language of the majority of clerics, and the authentic voice of British imperialism.

(Angola, Mozambique, San Thome and Principe) to Germany. In June 1914 a convention was initialled between Britain and Germany with regard to the projected Bagdad railway and the joint exploitation of Mesopotamia. All this did not prevent the outbreak of the war, reflecting the dominant imperialist antagonisms in all spheres, in August 1914.

To-day once again the talk is of colonial re-division or of a "more equitable" distribution of colonial mandates or of colonial raw materials. The ball was set rolling by the speech of the British Foreign Secretary, Sir Samuel Hoare, at Geneva in September 1935. The words of the declaration are sufficiently important to note:

"I will take as an example the problem of the world's economic resources and the possibility of making better use of them in the future. Abundant supplies of raw materials appear to give peculiar advantage to the countries possessing them. It is easy to exaggerate the decisive character of such an advantage, for there are countries which, having little or no natural abundance, have yet made themselves prosperous and powerful by industry and trade.

"Yet the fact remains that some countries, either in their native soil or in their colonial territories, do possess what appear to be preponderant advantages; and that others, less favoured, view the situation with anxiety. Especially as regards colonial raw materials, it is not unnatural that such a state of affairs should give rise to fear lest exclusive monopolies be set up at the expense of those countries that do not possess colonial empires.

"As the question is causing discontent and anxiety, the wise course is to investigate it, to see what the proposals are for dealing with it, to see what is the real scope of the trouble, and if the trouble is substantial, to try to remove it. The view of His Majesty's Government is that

the problem is economic rather than political and territorial. It is the fear of monopoly—of the withholding of essential colonial raw materials—that is causing alarm.

“It is the desire for a guarantee that the distribution of raw materials will not be unfairly impeded that is stimulating the demand for further inquiry. So far as His Majesty’s Government is concerned, I feel sure that we should be ready to take our share in an investigation of these matters.

“My impression is that there is no question in present circumstances of any colony withholding its raw materials from any prospective purchaser. On the contrary, the trouble is that they cannot be sold at remunerative prices. This side of the question was investigated with concrete results by a Commission of the Monetary and Economic Conference which met in London in 1933. Its work was directed primarily towards raising wholesale prices to a reasonable level through the co-ordination of production and marketing; but one of the stipulations of such action was that it should be fair to all parties, both producers and consumers, that it should not aim at discriminating against a particular country, and that it should, as far as possible, be worked with the willing co-operation of consuming interests in importing countries.

“This precedent may indicate a suitable line of approach to an inquiry which should be limited in this case to raw materials from colonial areas, including protectorates and mandated territories. I suggest that the emphasis in the terms of reference should fall upon free distribution of such raw materials among the industrial countries which require them, so that all fear of exclusion or monopoly may be removed once and for all.

“The Government that I represent will, I know, be prepared to take its share in any collective

attempt to deal in a fair and effective way with a problem that is certainly troubling many people at present and may trouble them even more in the future. Obviously, however, such an inquiry needs calm and dispassionate consideration, and calm and dispassionate consideration is impossible in an atmosphere of war and threatenings of war."

Sir Samuel Hoare, speech in the *League of Nations Assembly*, September 11th, 1935)

It is difficult to refrain from commenting in detail on this extremely rich specimen of modern monopolist expression, every sentence of which deserves its comment; but it is necessary first to examine further the general line of approach to these issues before coming to the particular proposals voiced by Sir Samuel Hoare.

While the Hoare speech officially opened the issue, it had already been widely broached in semi-official expression around this time, coinciding with the Italian advance to war on Abyssinia. In August 1935. *The Times* reported from its Paris correspondent:

"The colonial problem will be the next great question to be faced in Europe. It lies at the bottom of the Italian adventure, and it may be found at the head of the next list of German demands. Here as in England there are thoughtful people who think that revision of the distribution of colonies is inevitable sooner or later, and that the sooner the fact is frankly faced the easier and less costly revision will be."

(*The Times*, August 21st, 1935)

In September 1935 the Archbishop of York gave a broadcast address in which he said:

"Before there was any thought of a League of Nations we had ourselves occupied a great part

of the earth and the supply of raw materials.. If we now say to those who have need of expansion, 'In the name of love and brotherhood—hands off !' we shall be convicted of gross hypocrisy. If we really believe in the community of nations we must be ready, and obviously ready, to start the work of arranging for the nations which lack outlet the means of satisfying their need. It will be far the most difficult problem ever attempted by human statesmanship. The need for sacrifice of all acquisitiveness, the rights of inhabitants in the lands affected, and a host of others factors will render that problem insoluble except to those who approach it in real good will. Yet we must be ready to try. The League must stand for equity as well as law."

(Archbishop of York, broadcast address,
September 1st, 1935)

In September 1935 the Trades Union Congress passed a resolution, later adopted also by the Labour Party Conference, declaring :

" We call upon the British Government to urge the League of Nations to summon a World Economic Conference and to place upon its agenda the international control of the sources of supply of raw materials, with the application of the principle of equality of opportunity to all nations in the undeveloped regions of the earth."

(Resolution of the National Labour Council,
adopted by the Trades Union Congress in
September 1935, and by the Labour Party
Conference in October 1955)

In October 1935 the National Peace Council held a widely attended conference on "Peace and the Colonial Problem" at which addresses on the question of colonial revision to meet the demands of the dissatisfied imperialist Powers, extension of the mandate system, etc., were given by Sir Arthur

Salter, Lord Lothian, Professor Stanley Jevons and others.

What lay behind this sudden outburst during September and October 1935, of diplomatic, Christian, pacifist, Liberal and Labour feeling on the question of colonial re-distribution and "justice" for the dispossessed imperialist Powers, Germany, Italy and Japan? The answer was only too plain to view. The answer lay in the Italian preparations of wars for the conquest of Abyssinia, with the background of the Japanese war offensive and the German war preparations and colonial demands. The tanks and bombing planes of Italy, Germany and Japan had produced this passion for "justice" in so many Christian and pacifist breasts.

The conception of "justice," however, on this colonial issue was and remains a curious one. All the outbursts of pacifist sympathy were for the highly armed imperialist Powers who had been so cruelly deprived of their fair share of colonial spoils or of the raw materials extracted with blood and tears from the forced and sweated labour of the colonial peoples. The subjection of the colonial peoples to the imperialist exploiters was taken for granted as a natural dispensation of Providence. "Justice" consisted in re-arranging the booty. In studying the proceedings of the National Peace Council's well-intentioned conference on "Peace and the Colonial Problem," in surveying the enlightened and philanthropic pleas of the highly placed speakers for sympathy for the poor "Have-Not" Powers deprived of colonies, it is impossible to fail to be reminded of the child who, on being shown the picture of the Christians Thrown to the Lions, was full of sympathy for "the lion who had not got a Christian."

It is worth noting, however that at this conference of the National Peace Council on "Peace and the Colonial Problem" one voice of the African peoples themselves broke into the general discussion. Mr. Arnold Ward of Barbados said ;

“In my humble opinion I think that the conference is simply anxious to satisfy the European nations. The native populations are not taken into account. This conference is simply troubled about a sort of a peace among the well-armed and developed nations of the world, because in talking about raw materials and about migration and about the transfer of the countries, it seems that the people of these particular countries are absolutely ignored. They have no voice in the transfer of their countries, no voice in the selling of their raw materials though they have to produce them. No one suggests that the inhabitant of these countries should be consulted. We would like to ask Sir Arthur Salter if he has any proof whatsoever that these black people are not capable of governing themselves. If he says they are not capable of doing so in the interests of British capitalists, then I should say he is quite right, but if he says they are not capable of governing themselves in the interests of their own people, I should say he was quite wrong.”

This speech was suitably ignored by subsequent speakers. It will remain as a treasure from that conference, after the contributions of the distinguished experts have passed into oblivion. Parallel to this voice of the people who are the subject-matter of the “colonial problem,” let us set down the blunt statement of the representative of the Soviet Union at Geneva in September 1935, at the same time as Hoare’s speech :

“The Soviet Government is in principle opposed to the system of colonies, to the policy of spheres of influence, and to anything pertaining to imperialist aims.”

The discussions and the proposals for a peaceful re-distribution of colonies or of colonial advantages can reach no solution, because their basis is false, because they are in fact only the expression of a thieves’ fight over spoils, and “there is no honour among thieves.” The truth of this stands out the

more clearly the more the concrete problems are examined. For, even assuming the basis of the "practical" experts who fear to be what they call "Utopian" (i.e. to build on the real force of the rising colonial liberation movements as the ultimately stronger force than imperialism), and who end in consequence by being really Utopian (i.e. imagining the harmonious reconciliation of the contradictions of imperialism), assuming their basis of the supposed "necessity" of the imperialist exploitation of the colonial peoples, what possibility do their proposals offer of a solution of the colonial antagonisms of imperialism ?

In order to answer this question it is necessary to ask : for what does imperialism require colonies ?

The answers to this question in current imperialist discussion show extreme confusion. We may leave out of account the "moral" and "civilising" types of theory of the imperialist role, since it is unlikely that the imperialist Powers would engage in war to destruction through eagerness to compete in a "moral" and "civilising" role. Apart from these, four main types of theory of the colonial policy of imperialism may be distinguished in current imperialist expression.

The first (still current in Fascist and reactionary circles which prefer to throw a veil over the material aims of colonial policy) is the old-fashioned racial theory of the natural destiny of the "white" race to rule over other races, theory of the "white man's burden" (shouldered to-day with singular success by the Japanese "yellow man") which still found an echo in Hitler's speech at Munich in January 1936 :

"The white race is destined to rule. It has the unconscious urge to rule....When the white race abandons the foundations of its rule over the world it will lose that rule. It is a rule which is the basis of the European economic structure."

(Hitler, speech at Munich on January 27th, 1936)

It is obvious that this extremely confused explanation is no theory, but only an expression of the imperialist drive

to domination. The racial theory had in practice to be abandoned even by its exponents from the moment that the Japanese social structure reached the stage of monopoly-capitalism, and the colonial policy of Japanese imperialism enforced recognition for itself on the same basis as that of every other imperialism.

The second still current imperialist theory of colonial policy is the theory of "over-population" and the need of colonies as "outlets" for the teeming home populations. The Fascists, militarists and imperialists will in alternate speeches deplore the falling rate of population growth in their respective countries, and call for energetic measures to accelerate by every means the growth of population, and will simultaneously point to the growth population as the irrefutable argument for the necessity of colonies to provide an outlet for the "peoples without space."

It is once again obvious that in its crude form this theory has no relation to facts. The majority of the colonies, over which the contest is fiercest, are already thickly populated, are not held for settlement, or are not suitable for settlement by the populations of the colonising Powers. As Sir Arthur Salter stated at the National Peace Council Conference on "Peace and the Colonial Problem":

"I think it is well to say as emphatically as possible that as a contribution to the surplus population of the world by emigration, colonies offer just nothing at all...Whatever Japan does in regard to Manchuria in ten years time, there won't be as many Japanese in Manchuria as the increase of Japanese population every six months. If Italy conquered the whole of Abyssinia and planted settlers there as hard as ever she could, in ten years time she would not have dealt with the increase in the population of Italy of two months. If you take central tropical Africa, all the Europeans in all the colonies established in the course of more than a quarter of a century, they do not amount to as much as the increase of the Italian population in a year....

"There is no such thing as a surplus population anywhere except one that is relative to and caused by the existing commercial and economic system."

This is clearly correct ; but it once again gives rise to the question : why, then, does imperialism require colonies ? So has arisen the third imperialist theory of colonial policy which is to-day the most widely current, that imperialism requires colonies for the supply of raw materials. In these terms Goebbels frankly declared in his speech on January 17th, 1936 :

"We are a poor nation. We have no colonies, no raw materials. But we must tell the other nations that the time will come when we must demand our colonies back...It is dangerous for the world not to concede such demands, because some day the bomb will explode."

This is a step nearer to the truth, but only a step, because, in presenting the colonies as agrarian hinterlands of the industrialised imperialist countries, it conceals the real character of colonial exploitation. If the role of the colonies were only that of agrarian countries exchanging their raw materials for the industrial goods of the colonial countries, what need of a colonial system to enforce this ? This argument is used with an appearance of effectiveness by the representatives of the possessing colonial Powers against the challenging Powers, since they point out that the raw materials are there for all to buy (with certain limited exceptions), and that the normal difficulty is to find sufficient purchasers. So Sir Arthur Salter argued in his speech already quoted :

"What is the trouble ? It is not that there is a discrimination in the supply of raw materials to non-producing countries. Raw materials are available on equal terms to any purchaser who comes along. If there are any exceptions, they are of negligible importance. There is a surplus of raw materials and producers are only too anxious to sell them. But their merchants are handicapped by

the fact that they have to buy in foreign currency, and it happens that because of the currency upset of the world, German and Italian merchants have difficulty in getting the foreign exchange which they need to buy those foreign materials. That difficulty arises from the domestic policy of those countries and cannot be really dealt with by colonial policy."

Thus the possession of colonies is presented as of no economic advantage for the capitalists of the colonial Power in securing the supply of raw materials; there is "equality" for all; the only "difficulty" is regarded as arising from temporary conditions consequent on the world economic crisis, outside the sphere of colonial policy.

These arguments may not be convincing to the Powers desiring colonies; but they are so convincing to the spokesmen of the colony-possessing Powers and to the Liberal theorists of the economic valuelessness of colonies to the possessing Powers as to throw these into considerable difficulties to explain why the capitalists fight with such intensity for the possession of colonies. So is evolved the fourth theory of colonial policy which begins to be voiced to day, the theory that the desire for colonies is not in reality an economic question, but a "psychological" question, a question of "prestige." This view was expressed by the author of *The Duty of Empire*, Leonard Barnes, a former official of the British Colonial Service, in the conference on "Peace and the Colonial Problem."

"On this question of dissatisfaction. It is largely a question of prestige. To that extent it is a psychological question and calls for psychological treatment. No one, I think, knows whether, or how far, colonies are of any real value to the suzerain power, but when we are looking at the question from the angle of prestige that makes no odds at all."

Similarly, the Labour Party organ the *Daily Herald* declared in an editorial on "Colonies and Peace" on February 6th, 1936 :

"But what is the colonial problem? Is it economic? Or is it psychological?

"Theory and fact combine to support the view that almost all the economic arguments concerning population and raw materials and trade outlets are fallacious.

"Primarily it is not a question of trade. It is a question of prestige, of status. The dangerous tensions are not economic, but psychological. The origin of impending trouble is the sense of inferiority."

The imperialist theories of colonial policy, whether on the right or on the Left, thus end in stultification. The end in stultification because they cannot face the central fact of colonial exploitation. In consequence, a series of myths have to be created to explain the purpose of colonial policy. On the right, we see the racial myths or the myths of colonies as a supposed outlet for surplus population. Those are demolished by the critics on the Left, who in turn erect the myth of colonial policy as a purely "psychological" phenomenon, indulged in by the deluded imperialists without profit for reasons of "prestige" meanwhile the colonial peoples themselves know well in their own persons why the slave-drivers have taken possession of their countries.

The leaders of finance-capital, in their fight to win and hold colonies by every weapon in their power, are in fact concerned for more solid advantages than "psychological" satisfactions. What are these solid advantages? Let us begin with an examination, not of the special questions of Germany, Italy and Japan, but with the central antagonism of imperialism, the Anglo-American antagonism. On the opposite page is a table of British and American exports to the leading countries of the world in 1930, before there was any question of the "ring-fence" of Ottawa (reproduced from the *Economist*, November 25th, 1933).

What does this table show? If we leave out of account the special cases of the two neighbouring

BRITISH AND AMERICAN EXPORTS 1930

	Value of British Exports £000	Value of American Exports £000	American Export as p.c. of British
India	52,944	9,039	17
Irish Free State	34,497	2,745	8
Australia	31,678	15,198	48
France	26,690	44,792	150
Canada	29,138	131,819	453
Germany	26,809	55,652	207
South Africa	26,462	7,116	29
Argentina	25,234	25,972	103
Netherlands	18,860	20,983	111
New Zealand	17,867	5,965	33
Belgium	15,035	17,200	115
Italy	13,835	20,086	146
Norway	12,931	4,056	31
Malaya	10,475	1,920	18
Denmark	10,249	8,049	79
Sweden	10,068	8,984	90
Egypt	9,808	1,781	18
Spain	9,335	11,501	124
China	8,574	17,921	209
Japan	8,229	32,915	400
Brazil	7,970	10,762	134
U.S.S.R.	6,772	22,272	330
Nigeria	6,480	786	12
Chile	5,963	9,275	155

countries, Canada in the case of the United States, and Ireland in the case of Britain, we find the following :

British exports predominated in India, Australia, South Africa, New Zealand, Egypt, Malaya, Nigeria and the three Scandinavian countries.

American exports predominated in France, Germany, Belgium, Italy, Holland, Spain, China, Japan, Brazil, Chile, Argentina and the Soviet Union.

The line of the two trade supremacies is sufficiently indicative. By 1930 the stronger American economic

power had ousted British priority in every leading country in the world—except the Empire countries, and the three Scandinavian countries (closely linked to Britain; indeed, the former Colonial Minister, Amery, has proposed that they should be united to the British Empire).

But a further examination reveals more. Which were the countries in which British predominance remained strongest and which American exports were not able to reach 20 per cent of British? They were four: India, Egypt, Nigeria, Malaya. In other words, the four countries in the above list representing the dependent, autocratically ruled empire, or the colonial system proper.

This is not simply a question of tariffs and preferences. The advantage of the sovereign Power in its colonies does not depend solely on such direct means. An examination of the position in the Central African colonies, which are still largely governed by the "Open Door" principles of the Congo Basin Treaties and the Anglo-French Convention, ruling out preferential duties, illustrates this. In his booklet on *The Future of Colonies* Leonard Barnes gives some interesting tables of this situation in these colonies:

NIGERIA 1933

	Imports from per cent	Exports to per cent
United Kingdom	67	37
Germany	8	16
Italy	3	4

BELGIAN CONGO 1932

	Imports from per cent	Exports to per cent
Belgium	46	76
United Kingdom	11	·09
Germany	7	1·6
Italy	·8	·1

FRENCH WEST AFRICA 1930

	Imports from per cent
France	47·3
United Kingdom	15·8
Germany	7·6

The author concludes from his survey: "Effective equality is evidently not established by mere absence of tariff discrimination. The fact is, of course, that the scales are loaded in favour of the suzerain both in colonies and in mandated territories, even when the 'Open Door' principle is in operation."

In other words, the universal "Open Door" principle, which is put forward by the reformers for the solution of the colonial problem ("equality of opportunity to all nations in the undeveloped regions of the earth," in the terms of the Labour Party resolution) is no solution. The decisive question for securing the economic advantages in a given colony is *sovereignty* of that colony (whether in the dress of a "mandate" or otherwise makes no difference); and there is no peaceful solution to the contest for this.

Does this examination of only one aspect of colonial domination, in respect of markets, mean that the colonial question is only a question of privileged markets? Not at all. This is only one aspect which cannot in practice be separated from the others. Domination of a given series of colonial markets provides in turn the means to purchase the required amount of colonial raw materials (without which means the "equality" of the non-colonial Powers also to purchase is of very limited value); and both in turn are linked up with the export of capital; and finally the whole is built on the special conditions of exploitation of the colonial workers and peasants.

The advantage of colonial possessions to the finance-capitalists of the colonial Powers cannot be expressed in any single factor in isolation, whether as

a market for the export of goods, a market for the export of capital, a source of raw materials monopoly, or a source of super-profits through the exploitation of colonial labour, because the modern colonial system under imperialism is in fact a *single complex* of all these; and the pivot of the whole complex, without which it would break down, is the *sovereignty*, the armed domination of the colonial Power over the colony.

The essence of the relations of the colonies and imperialism is *inequality*. The colonial peoples are compelled, by a whole series of devices and regulations, depriving them of their land, hut taxes, poll taxes, etc., to labour and produce the raw materials for prices which leave them on a starvation level. The prices of the goods which are exported to the colonies are on a high level. It is *unequal exchange*, which is in fact maintained by armed force, and which yields the high colonial super-profits to the capitalists of the ruling country. To this unequal exchange is added the direct tribute on the export of capital.

It is this privileged position in relation to colonies of their own, and the super-profits arising from colonial exploitation, that the imperialist Powers deprived of colonies demand. It is no use explaining to them, while they are outside the charmed circle, that they have perfect formal "equality" to buy the raw materials from the monopoly at the monopoly's price (not at the price paid to the colonial producers, the peasants or workers). If they have to pay the price of the International Tin Monopoly (under the British Colonial Office) or the International Rubber Regulation Committee (dominated by the British-Dutch interests), the fact that there is "no discrimination" against them (in the kindly words of Hoare), that they are only having to pay the same price as other customers, does not bring them any nearer to sharing in the spoils of colonial exploitation.

The fight between the rival imperialist Powers for the possession of colonies is a fight for *domination*, for *monopoly*, which is expressed in and dependent on sovereignty over a given series of colonies. No regulations, no international agreements, no "mandates,"

no "Open Door" conventions, nor even "Inquiries" (as recommended by Hoare), can overcome this. Why did British imperialism strain every nerve to free itself from the American monopoly of raw cotton, organising the Empire Cotton Growing Association since 1902, and developing with enormous subsidies as well as with vast construction works like the Aswan Dam and the Sind Barrage, the growth of cotton in the Sudan, in India, in Kenya, in Uganda, in Iraq? (until the point was reached in 1933 when President Roosevelt was paying subsidies to the American cotton farmers to plough up their crops for which there was no market, while Britain was paying subsidy to turn the Sind desert into a cotton plantation)? Why did British imperialism send its agents all round the world prospecting for oil to free itself from the American oil monopoly, tearing up the Turkish Empire in the hunt for oil, dominating Persia, creating the new State of Iraq, fomenting civil war in Mexico, until to-day its rival oil monopoly has spread its tentacles in every quarter of the globe? Why has American imperialism strained every nerve to free itself from the British rubber monopoly, whose deadly power was shown in the Stevenson restriction scheme, leading to the United States pouring out millions to develop the growth of rubber in its South American "colonies"? The answer is obvious. This is the expression of the fight of the monopolists. And in this fight colonial possessions or the semi-colonial forms of political dependence of States within the sphere of influence of the monopolist Power are essential.

In these circumstances the bland assurances of a Hoare, at the head of the principal monopolist Empire, against "fear of monopoly", and offers of "inquiry," will not help. Nor will well-intentioned proposals for "equitable" "international" allocation of "equality of access" to colonial raw materials, markets, etc. avail to remove the real conflict, so long as sovereignty of the colonies (whether in the "mandate" form or otherwise), and therefore effective control of the real ownership and profits of colonial exploitation, rests in the hands of the colonial Powers. The battle between the possessing and the challenging imperialist Powers for the possession of colonies cannot be thus escaped.

What, then, of the proposals for the direct "re-distribution" of colonies or colonial mandates, by the surrendering of particular colonies from their present sovereignty and handing them over to Germany or Italy? In minor cases, particularly with regard to the colonies of a smaller colonial Power, such proposals for bartering the colonial peoples in the cattle-market of the Great Powers are not impossible. Thus we saw how before the war of 1914 Britain was ready to make the attempt to buy off the German challenge with a magnanimous offer of the colonies of its vassal, Portugal; and similarly in 1925 the attempt was made to appease the Italian grievances with the cession of Jubaland. The Portuguese colonies may once again figure in a similar deal in the future. But the concessions offered are inevitably minute compared to the main spoils; they may slightly postpone the conflict, but in the end they are only a whet to the appetite of the challenging Powers, and no solution of the real antagonisms.

Any general redistribution of the vast existing colonial empires without war is out of the question. Indeed, even the proposals of minor concession have aroused intense opposition. This was evident in the character of semi-official comment on the Hoare offer. In an editorial on "Colonial Facts and Fallacies" of January 13th, 1936, *The Times* declared:

"The common starting point is, of course, that British colonies are integral parts of the Empire, to which they are attached by ties of loyalty and pride as well as of self-interest. They are not objects of barter, or parts of a jig-saw puzzle to be transferred from one owner to another to fit a political pattern,"

Similarly, in an editorial on "Mandate Revision Dangers," the *Daily Telegraph* of February 6th, 1936, corrected misconceptions of the Hoare offer:

"An entirely mistaken idea of what he (Sir Samuel Hoare) said and meant very soon took shape, and in certain quarters the hope was even encouraged that Great Britain was ready to consider a 'share-out' of her Colonial Empire. There would indeed be a

long queue of applicants if notice to that effect were given."

In response to the widespread clamour the British Colonial Secretary gave an assurance in Parliament on February 12th, 1936, that

"His Majesty's Government have not considered and are not considering the handing over of any of the British colonies territories or held under mandate."

(J. H. Thomas, Colonial Secretary, in the House of Commons, February 12th, 1936)

The effect of this apparent denial, however, which in fact only covered the past and not the future intentions of the Government, was wiped out by the subsequent declaration of the Chancellor of the Exchequer in April 1936.

"There is a clear distinction between colonies and mandated territories. So far as I know, no one has ever asked or suggested that the British Empire should give up any of its colonies, and I need hardly say that if such a demand were made it could not possibly be entertained for a moment. Mandated territories are not colonies. They are in a somewhat different category and they are only part of the British Empire in what I may call a colloquial sense. . . .

"In order to effect a transfer there will be at least required the assent of the mandatory Power, the Power to whom the territory was to be transferred, and finally the assent of the Council of the League of Nations. . . .

"As to what might happen in the future I think it would be unreasonable to ask me to attempt to pledge the action of future Governments, but I will say this at any rate—the mandates are not held by this country alone. I cannot conceive that any Government would even discuss the question of the transfer of its own mandates quite irrespective of what was to happen to the mandates held by other

countries. I would say in addition what we do recognise that we have definite obligations to the people who inhabit these territories, and we would not think of surrendering these obligations or handing those territories over to any other Power, even for the sake of obtaining that general peaceful settlement which all of us so much desire, unless we were satisfied that all the interest of all sections of the populations inhabiting those territories were fully safeguarded."

(Neville Chamberlain, Chancellor of the Exchequer,
in the House of Commons, April 6th, 1936)

From all this, as well as from subsequent statement, it is clear that the British National Government is in fact contemplating the handing over of mandated territories to Nazi Germany as part of its general bargain with Hitler.

Does this mean that the colonial conflict of the imperialist Powers, and the consequent drive to war, would be thereby solved? On the contrary. The cession of the ex-German mandated territories would be a flea-bite compared to the issues at stake, and would only have significance as part of the general line of co-operation of the National Government with Hitler. The primary immediate aims of expansion of Nazi Germany are in Europe, and would only be strengthened by the advantage secured through the cession of the mandated territories to reinforce its resources and preparations for war. If these aims of expansion in Europe are allowed to meet with success, then the ultimate aims would extend far beyond the mandated territories, and would inevitably in the culminating stage turn against the British Empire, as some of the more far-sighted leaders of British imperialism are already beginning to recognise.¹ The cession of the mandated territories to Nazi Germany,

1. The ultimate aims of German imperialist expansion at the expense of the British Empire received typical unofficial expression in the notorious book of the military theorist, Professor Banse, entitled *Raum und Volk im Weltkrieg*, published under the Nazi regime, i.e. with the permission of the extremely exacting censorship:

now contemplated by the National Government. although of obvious sinister significance for the immediate situation as a direct assistance and encouragement to Nazi Germany, would have no more effect on the ultimate issue than the previous treaty handing over the Portuguese colonies to Germany in 1913.

The battle for the new division of the world stands before imperialism without solution within the conditions of imperialism.

“We confess it is an attractive prospect for us to imagine and sketch out the downfall at some future time of this proud and secure people, who will be made to obey foreign lords as they have never done since 1066, or at least will be compelled to surrender their lucrative colonial empire.”

The bellicose professor has here travelled too fast for the immediate diplomatic aims of Nazi policy, which requires at first, as explained in *Mein Kampf*, the co-operation of Britain in order to achieve the initial stages of its conquests.

CHAPTER VII

Main Areas Of Conflict

'Having been in international politics for most [of the time since the war, I will not write myself down a pessimist, but I will say that at the times I felt that I am living in a madhouse.'

Rt. Hon. Stanley Baldwin, address to the National Council of Free Churches in Wales on April 8th, 1935.

The Gathering Struggle for the new division of territories and spheres of influence develops in every quarter of the world.

In the forefront stands the offensive of the three challenging Powers, of Japan in the Far East, of Germany in Europe, and of Italy in Northern Africa and the Near East.

But behind these are revealed the basic antagonisms of the dominant imperialist Powers in possession, the Anglo-American antagonism and the Anglo-French antagonism. It is only the divisions and particular conflicting aims of the dominant Powers in possession that make possible the advance of the openly aggressive expansionist forces.

The Japanese accelerating advance in the Far East has gone forward against the background of the Anglo-American antagonism. The German expansion and successful tearing up of Versailles and Locarno Treaties, no less than the Italian aggression in Africa, have gone forward against the background of the Anglo-French antagonism.

While, therefore, the dynamic war-making forces, Germany, Japan and Italy, occupy to-day the immediate international foreground in the drive to war, a correct estimate of forces must devote no

less careful attention to the role of the most powerful imperialist forces, Britain, the United States and France.

Finally behind all these, and cutting across and transforming all these relations, is the hostility of imperialism to the Soviet Union, most actively voiced and led to-day by the Fascist expansionist Powers, especially Germany and Japan, but with support from dominant sections in Britain, and also from sections of the ruling class in other countries; and, as against this, the counter-attempt of the Soviet Union, in association with all elements opposed to immediate war, to organise a combined front of peace and collective security throughout the world against the menace of new world war.

All these forces are closely interrelated. While the deeper Anglo-American antagonism, which manifests itself all over the world in the economic field, in the strategic field, and, with special reference to the Far East, the Dominions and South America, does not yet advance to the close menace of war, its influence is of sky importance for all the relations of imperialism. The immediate threatening battle-grounds of future war arise from the Japanese offensive in the Far East and the German Nazi offensive in Europe. But these in turn are closely linked, as expressed in the German-Japanese Military Treaty of 1936, with the common offensive against the Soviet Union. These special aspects of the war offensive, in respect of the relations of imperialism and the Soviet Union, are considered in greater detail in the next chapter; in the present chapter the main attention is concentrated on the conflicts between the imperialist Powers.

Subject to these interrelationships, which invalidate any rigid compartmental treatment, is necessary to examine briefly the situation and relation of forces in the main areas of conflict and threatenig battle-grounds of future war,

*1. Japan, Britain and The United State in
the Far East*

While the battle of imperialism for the new division of the world extends over the whole world, two main fields of conflict stand out. The first is the complex of antagonisms in the Far East, which concentrates at once the conflicts of the leading imperialist Powers, especially Britain, the United States and Japan, the issue of imperialism and the Soviet Union, and the struggle of imperialism against the colonial revolution. The second centres round the Fascist revisionist offensive in Europe, primarily of Nazi Germany, and secondarily of Italy, with its repercussions beyond Europe in Northern Africa and the Near East. It is the peculiar position and dilemma of British imperialism to be closely involved in both situations of developing war.

The Japanese war offensive in the Far East since 1931 opened the new war-phase succeeding to the period of stabilisation. Japan took the first direct measures of imperialism for the forcible new division of the world. This extending offensive has continued now for close on five years unbroken, with enlarging scope and aims, and has not yet reached its climax. By the conquests of these five years Japan now holds under direct military control Manchukuo, Jehol, Inner Mongolia, and the provinces of Northern China, or an area exceeding the total area of Britain, France, Germany, Italy and Spain, with a population of roughly one hundred millions; it claims direct control over the Chinese Government and over China as a whole; on the borders of Manchukuo, and by the threat of war on Outer Mongolia, it threatens war against the Soviet Union; the ultimate aims of the military party extend to complete control of Eastern Asia and the final ousting of Britain, France and the United States from the Far East.

What lies behind this extending Japanese war offensive which has dominated the Far Eastern situation since 1931? The Japanese offensive is itself the reflection of two main groups of factors. The first is the internal situation in Japan, the growing economic difficulties and class-contradictions

of the existing regime, the rising agrarian crisis and revolutionary unrest, and the endeavour of the dominant militarist-Fascist elements to find a solution along path of war and expansionist adventure. The second lies in the external situation, in the extreme tension of international antagonisms in the Far-East, which has made possible the Japanese advance, as well as in the extreme division of the revolutionary and counter-revolutionary forces in China. The Japanese offensive has in practice been able to go forward to its present strength on the basis of the Anglo-American antagonism, on the basis of the antagonism of imperialism to the Soviet Union, and on the basis of the common interests of the imperialist Powers and of the Chinese counter-revolution against Soviet China and against the national revolutionary struggle. The key to the success of the Japanese war of conquest up to the present point has lain in the skilful utilisation of these antagonisms, and especially of the divisions of Britain and the United States. The major role in making possible the Japanese advance up to the most recent stage has been the role of British policy, even though the consequences of that policy have now brought British imperialism face to face with an extremely sharp dilemma. It is this international background of the Japanese offensive that is of critical importance for the present world situation.

Since the opening of the Japanese offensive in 1931, all the existing relations and balance of forces in the Far-East have been thrown into the melting-pot. The Far East has become more and more manifestly the centre of gravity of world politics. While an attempt to isolate the Far East from the world situation as a whole would be in danger of giving a false perspective, and in particular would mean to under-estimate the significance of the Nazi offensive as the possible immediate storm-centre and starting-point of new world war, there is no doubt that the Far East stands out in the modern period as the arena of the ultimately most profound conflicts of world imperialism, as well as of the offensive of imperialism against the Soviet Union.¹

1 The role of the Far East as the destined main focus of world antagonisms had already been noted by observers since the end of the nineteenth century. At the beginning of the twentieth century the American Secretary of State, John Hay, had expressed the view ;

This role of the Far East as the main centre of world antagonisms in the present period inevitably follows from the relation of forces in the Pacific area.

First, the main spoils of the new division of the world, the aim of complete domination and exploitation of the four hundred and fifty millions of the Chinese people, lure on the imperialist powers as the prize of mastery in the Far East; and the ultimate prizes of domination in the Pacific extend beyond China to Eastern Asia as a whole, to the chain of islands of the East Indies, and to Australia and New Zealand, and finally to India.

Second, the four principal world Powers of imperialism—Britain, the United States, Japan and to a lesser extent France—here directly confront one another with rival adjoining possessions, spheres of influence and expansionist aims; against the still

“The storm centre of the world has shifted. . . to China. Whoever understands that mighty Empire has a key to world politics for the next five centuries.”

(John Hay, United States Secretary of State, 1898—1905, P. T. Moon, *Imperialism and World Politics*, New York 1928, p. 321)

By 1921, when the Anglo-German antagonism, which till then had held first place, appeared to be liquidated, the leading spokesman of British imperialism; General Smuts, gave expression to a similar view that the centre of world politics had henceforth shifted to the Pacific:

“Our temptation is still to look upon the European stage as of first importance. It is no longer so. . . . These are not really first-class events any more. . . . Undoubtedly the scene has sifted away from Europe to the Pacific. The problem of the Pacific are to my mind the world problems of the next fifty years or more.”

(General Smuts, speech to the Imperial Conference in 1921)

This expression reflected the situation of 1921 when in the first post-war phase the Anglo-American antagonism was reaching to extreme sharpness. In fact, however, Washington Conference of 1921—1921 stabilised the situation in the Far East for a decade. It was only with the break-down of that stabilisation, marked by the opening of the Japanese offensive in 1931, that the full struggle for mastery in the Far East reached its present intense phase, dominating—in close association with the Nazi offensive in Europe—the world political situation.

continuing British dominance in this region the Japanese drive of expansions now presses hard, while the United States is rapidly preparing for the final conflict.

Third, against the existing imperialist domination and schemes of expansion the battle of the colonial peoples for liberation has here its centre: the national revolutionary struggle of the Chinese people, developing for a quarter of a century with increasing tempo and with Soviet China now in the forefront, is the leader and vanguard of the colonial liberation struggle all over the world.

Fourth, the two world systems, of capitalism and of socialism, have here their principal meeting-place; the Japanese drive of expansion, with support from the reactionary circles of the other imperialist Powers, ceaselessly presses against the Soviet Union, and the powerful Fascist-militarist elements in Japan openly work to provoke war.

The contradictions within this area are intense. The populations bordering the Pacific number one thousand millions or half the population of the world. But the barriers of imperialism have established a situation in which there is extreme disproportion in the territorial distribution of this population. The density of population in the main areas is as follows

Australia	..	..	2.2	per square mile
Canada	..	..	3.0	"
United States	..	..	41.3	"
Siam	..	..	59.7	"
Indo-China	..	..	75.0	"
Malaya	..	..	81.8	"
China	..	..	104.3	"
Japan	..	..	349.4	"
Java	..	..	678.0	"

(*Economic Handbook of the Pacific Area*, edited by
V. F. Field for the Institute of Pacific Relations,
New York, 1934)

Canada, with an area of 3,600,000 square miles, has a population of under 11 millions. The United States,

with a smaller total territory (though a larger cultivable area), has 126 millions. Australia, with 3 millions square miles, is inhabited by under 7 millions, and New Zealand, with 104,000 square miles, by 1.5 millions. Confronting these are the heavily crowded populations of Eastern Asia : Japan with 70 millions, China with 450 millions, Java with 40 millions, India with 360 millions. The barriers to a more rational distribution, which outside capitalist conditions could lead to universal benefit, are maintained by armed power, against the will of the majority populations. The prizes of mastery in the Pacific are revealed as not only China and Eastern Asia, but also the British Dominions.

This situation of extreme disproportion of populations and territory in the whole region is intensified by the extreme inequality of division of areas of domination between the imperialist Powers, and the consequent increasing challenge of the advancing Powers against the existing division. This is the situation which fills British imperialism, formerly dominant in the Far East, in China and the Pacific, and still with the largest possessions-interest and spheres of influence of any single Power, with growing alarm in the face of the rising advance of Japanese and American imperialism; no less than in the face of the rising advance of the national revolutionary struggles for liberation. Britain is still the principal Power in possession in the Far East, but its strategic strength no longer corresponds to its holdings. The dilemma confronting British imperialism arises from the fact that it is no longer able to maintain dominant naval power in the Pacific to hold its possessions or its still privileged position in China. In the words of the leading British naval specialist, H. C. Bywater :

"The Singapore base has lost much of its original significance. Strategically, its value is that of a halfway house. Hong Kong, our only other strong hold in the Far East, has no modern defences, these having remained *in status quo* for the last twenty years, largely as a result of treaty restrictions. It is not too much to say that we hold Hong Kong on sufferance. Unpalatable though it may be, the truth is that we are not at the present time in a position

to defend our widespread and priceless interests in the Pacific....Japanese spokesmen have declared more or less publicly that neither Britain nor the United States is any longer capable of defending by force of arms its territories in the Western Pacific."

(H. C. Bywater, Preface to the 1934 edition of
Sea Power in the Pacific, pp. xvii-xviii)

This statement leaves out of account the accelerated preparations that are now in fact going forward. But the measure of truth in it is of key importance for the present relation of forces in the Pacific, and for the consequent problems of British, no less than of American, policy.

Up to the end of the nineteenth century Britain held the unchallenged dominant position in the Far East. Since the Opium Wars it had secured for itself the major share of the spoliation of China. Hong Kong in British hands provided the principal base of strategic power and the main entrepot for the entry of goods; Shanghai, with the International Settlement under British control, provided the principal base of commercial and industrial exploitation and the main seat of the trading and financial houses. The lion's share of Chinese trade (as late as 1913 nearly half the imports into China came from Britain or through Hong Kong, one fifth from Japan, and less than one sixteenth from the United States), of the export of capital, of banking and finance, of the control of the railways, and of foreign industrial exploitation, was in British hands. China was reduced to a semi-colonial status, divided into spheres of exploitation between the rival imperialist Powers, with Britain in the dominant position.

But by the beginning of the twentieth century the British position was increasingly under challenge. The advancing claims of the rival imperialist Powers, especially of the United States, of Tsarist Russia, and of Germany, were beginning to make themselves felt. In 1898 the United States established its strategic

base by the conquest of the Philippines. In 1899 American imperialism delivered its first challenge with the Note of the Secretary of State, John Hay, demanding the acceptance of the principle of the Open Door in China. The other imperialist Powers were also preparing their positions for the struggle. In 1898 Germany leased Kiaochow Bay, Russia leased Port Arthur, France leased Kwangchow Bay, while Britain countered by the lease of Wei-hai-wei; all these leases were for the preparation of naval bases. At the same time the advancing challenge of German imperialism was also indirectly affecting the balance of forces in the Far East. For with the new German Naval Law of 1900 openly pointed at British supremacy it became necessary for Britain to concentrate its naval preparations on the North Sea, so that it could no longer count on maintaining alone its domination in the Pacific. Thus the British strategic position in the Far East began to weaken at the same time as the other Powers were advancing.

It was in this situation that Britain turned for a solution to a step which was to have far-reaching consequences through the whole subsequent period. Britain took into direct alliance the then still secondary Power, Japan, as its partner in the Far East. The first step towards this had been prepared by the Anglo-Japanese Agreement of 1894. Britain built, equipped and trained the Japanese Navy. Within a fortnight of the Anglo-Japanese Agreement of 1894, Japan's first war on China followed in 1894-1895. By this war Japan secured the separation of Korea, which it was later to annex, and the cession of the Liaotung Peninsula; but the joint representations of Russia, Germany and France (not Britain) compelled Japan to give back its conquest. In 1902 followed the Anglo-Japanese Treaty. Just as the Anglo-Japanese Agreement of 1894 had prepared the way for the Sino-Japanese war of 1894 and the Japanese domination of Korea, so the Anglo-Japanese Treaty of 1902 prepared the way for the Russo-Japanese war of 1904-1905 and the Japanese conquest of Port Arthur and the Liaotung Peninsula and domination of South Manchuria. The second Anglo-Japanese Treaty of 1905 still further strengthened the

provisions of the first so as to include Japanese assistance for the maintenance of British power in India, and also to include the obligation of assistance by either signatory in the event of war with a single other Power, i.e. in the event of war of either with the United State.

Thus for the two decades up to the world war Japan advanced continuously under British protection. But with the world war paralysing the possibility of any countermove of the European imperialist Powers, Japan seized the opportunity to go forward with its more ambitious aims of monopolist domination, unfolded its full programme for the subjection of China in the Twenty-One Demands imposed on the Chinese Government in 1915, and took possession of Shantung, Fukien, Manchuria, Inner Mongolia and (under cover of anti-Bolshevik intervention) Eastern Siberia.

This ambitious attempt of Japanese imperialism was premature. At the end of the war American imperialism, at the height of its strength in contrast to the other Powers, had its word to say. Despite British support, Japan was forced by American pressure, partially at the Paris Conference, and then decisively at the Washington Conference, to surrender its conquest. Japan had retained Shantung at Paris, but was forced to surrender it at Washington. The Anglo-Japanese Alliance was compelled by the demand of the United States to be formally dissolved. Britain was compelled to accept the principle of naval parity with the United States in capital ships. The territorial integrity of China was guaranteed, and the Open Door formally agreed by the Nine-Power Treaty. The building of fortifications or new naval bases in the Pacific was prohibited within a wide delimited area, the effect of which was to render impossible any major encounter of the three fleets. The United States had enforced its peace in the Pacific for a decade, a peace corresponding to the interests of its financial and commercial penetration.

Stabilisation was thus achieved for a period of the Far East on the basis of the maintenance in

the *status quo* and the joint exploitation of the Chinese people by the rival Powers according to the existing spheres of influence. The American share of imports into China rose between 1913 and 1925 from 6 per cent to 15 per cent, while the share from Britain and Hong Kong fell from 46 per cent to 28 per cent,

The partial co-operation of the imperialist Powers was strengthened by the advance of the Chinese Revolution. Between 1923 and 1927 the Chinese national revolutionary movement, organised in the coalition party of the Kuomintang, and advancing from its base in Canton, swept forward over the greater part of China; defeating the militarist generals subsidised by imperialism, and coming close, with the capture of Shanghai in the spring of 1927, to the national revolutionary unification of China. But at this point the Chinese *bourgeoisie*, represented by Chiang Kai Shek, fearing the advance of the masses, went over to the side of imperialism and stabbed the revolution in the back. A period of heavy repression followed; the Kuomintang became the tool of foreign imperialism. The national revolutionary struggle had to advance to a new stage before it could conquer. The mass front had to be re-formed, on the basis of the workers and peasants, under the hegemony of the working class, led by the Communist party, and advanced in the next period to the building up of the extending districts of Soviet China.

But the antagonisms of imperialism went forward through the period of stabilisation. Anglo-Japanese co-operation continued in practice, despite the formal dissolution of the Alliance. From the outset both Britain and Japan were restive under the restrictions of the Washington Treaties. "It is no more than the truth to assert," declared the British naval expert, Bywater, "that ever since 1921 the United States has been attempting, more or less consciously, to dictate the naval policy of Great Britain" (*A Searchlight on the Navy*, p. 159); and he continued in the same work, issued in 1934, with

reference to the London Naval Treaty of 1930, which prolonged the Washington Naval Treaty for five years and extended its scope :

‘Happily the treaty expires on December 31st, 1936. Attempts to promote its renewal, from whatever quarter they may be made, should be firmly resisted. Already this covenant has struck at British sea power a blow from which it may never recover.’

(H. C. Bywater, *A Searchlight on the Navy*, 1934, p. 217)

The Naval Treaty was not renewed. Japan denounced it in 1934 and, on the refusal of its demand for parity, withdrew from the London Naval Conference of 1936; the new London Naval Treaty of Britain, France and the United States in 1936 is only a simulacrum of “qualitative” limitation and mutual information of building programmes, with no quantitative limits. The old naval limitation with fixed totals, maintained for fifteen years, at the end of 1936; and the British Government has already announced its naval rearmament programme, with the laying down of new capital ships in 1937 the day after the old treaty expires.

From the outset, also, since the Washington Treaties on opportunity was lost by either British or Japanese statesmen to reiterate that, although the Anglo-Japanese Treaty had been formally abrogated, its “spirit” remained unchanged. Typical of this were the emphatic declarations at the farewell dinner to the Japanese Ambassador in London, Baron Hayashi, in 1935. The Duke of York stated, after referring to the Anglo-Japanese Alliance:

“After that, the opinion of the world was opposed to military alliances, and our alliance with Japan developed into a pact embracing the principal countries having interests in the Pacific for maintaining peace in that part of the world. But the friendship between Great Britain and Japan was and remains the foundation upon which depends the peace of the Far East.”

(The Duke of York, speech on June 30th, 1925, . . .
The Times, July 1st, 1925)

The British Foreign Secretary followed this up with an even more definite pointer:

"Though the alliance had given way to a broader understanding, the sentiments which dictated the alliance were as fresh to-day as on the day that the treaty was signed. He hoped that Japan would recognise that we were loyal, not merely to the letter, but to the spirit of their obligations."

(Sir Austen Chamberlain, speech on June 30th,
1925, *The Times*, July 1st, 1925)

Similarly in 1928 the Tokio correspondent of *The Times* reported:

"It is pointed out that, though the Anglo-Japanese Treaty has been merged in the wider treaty signed at Washington in 1922, its spirit is still alive, as leading statesmen in both countries have repeatedly affirmed."

(Tokio correspondent of *The Times*,
November 23rd, 1928)

Even as late as January 1935, when the Japanese Foreign Minister, Hirota, in defining Japanese foreign policy, spoke of "co-operation between Japan and Great Britain" as a cardinal principle, *The Times* (January 22nd, 1935) noted that "he seemed to be thinking of more than mere continuance of friendly relations."

Thus the Anglo-Japanese co-operation which began in 1894, and which existed in formal treaty form until 1921, continued in fact unbroken right into the new period opening in 1931. This Anglo-Japanese co-operation, which has been in fact the counterpart of the basic Anglo-American antagonism, has been of cardinal importance for the whole line of development in the Far East up to the present stage. But the new situation developing since 1931 has brought new problems.

With the breakdown of stabilisation the armed struggle for domination in the Far East began anew. As soon as the world economic crisis had weakened the influence of American imperialism, and had paralysed the Western imperialist Powers in their inner difficulties, Japan struck its blow in 1931 and began the offensive in Manchuria which was to extend in continuous stages during succeeding years to all Northern China and to general claims of control over the Chinese Government and its policy. During 1931—1932 Japan conquered Manchuria, establishing the puppet State of Manchukuo in 1932, and carrying through a military attack on Shanghai. In 1933 Japan extended its conquests to Jehol, and left the League of Nations. In April 1934 Japan announced, through an official War Office statement, that "the Nine-Power Treaty is dead; the United States and European countries which are ignorant of real conditions in the Far East should hold aloof from affairs in China"; and a Foreign Office statement proclaimed a general Japanese protectorate over China:

"To keep peace and order in Eastern Asia we must act alone on our own responsibility.... There is no country but China which is in a position to share with Japan the responsibility for the maintenance of peace in Eastern Asia.... Any joint operations undertaken by foreign Powers, even in the name of technical or financial assistance, are bound to acquire political significance... Japan must object to such undertakings as a matter of principle."

(Japanese Foreign Office statement, *The Times*,
April 24th, 1934)

The Japanese Ambassador in Washington further amplified the principle of this statement:

"Japan must act and decide alone what is good for China.... Business men will find it beneficial to consult Tokio before embarking on any adventures in China."

(H. Saito, Japanese Ambassador to the United States, interview to the *Washington Star*,
London Times, April 23rd, 1934)

In 1935-1936 Japan extended its conquests to Inner Mongolia and Northern China, organising puppet political forms under its control, and developing provocations against Outer Mongolia, as well as bringing the range of its operations directly against Soviet China in Shansi. In 1936 the new Hirota Ministry, established after the 'murder-coup' of the Fascist military officers against the older statesmen who had criticised the extreme military policy, proclaimed the Three Point Programme of Japan in relation to China (already announced in the negotiations with the Nanking Government in 1935): (1) Sino-Japanese co-operation against communism; (2) China to have no relations with other countries save with Japanese consent and under Japanese control; (3) China, Manchukuo and Japan to be organised as a single economic bloc.

What is the attitude of the other imperialist Powers to this extending Japanese offensive for the monopolist domination of China and the Far East?

In the early stages of the offensive, Japan received the effective support of Britain and France. Britain supported Japan, not only in accordance with its general line of playing off Japan against the United States, but also as the strongest military force in the Far East against the national revolutionary movement in China, and eventually against the Soviet Union. The repeated American appeals to Britain for co-operation in opposing the open violation of the Washington Nine Power Treaty during 1931-1932 were all rebuffed (the messages of the Washington correspondent of *The Times* during the period give the fuller evidence of this, which subsequent British expression has endeavoured to cover up and deny). Sir John Simon appeared at Geneva as the special pleader for Japan, and actively countered the approaches of the United States Secretary of State, Stimson, who also attended at Geneva to secure the co-operation of the League with the United States. Britain led the way in maintaining the passivity of the League of Nations in the face of the open violation of the Covenant, as well as in opposing the American appeals for co-operation. In words of Lord Lytton, the Chairman of the League of Nations Commission to Manchuria:

"The United States made overtures which have not been reciprocated, and the failure of our Government to back up Mr. Stimson is perhaps the most regrettable of all its shortcomings."

(Lord Lytton, speech at Manchester, May 17th, 1934)

Similarly Lord Lothian testified to the British rejection of American co-operation :

"I have always thought that the mistake of British policy at that times was . . . its rejection of Mr. Stimson's offer to reverse the isolationist decision of 1920 and act with us in support of the collective system in the Pacific. This failure on our part to live up to the spirit and the letter of the Washington Treaties early in 1932 drove the United States back into isolation."

(Lord Lothian, speech on December 12th, 1934,
reported in *International Affairs*, March—April 1935)

This episode was of critical importance for the whole development of Anglo-American relations,

Even the "Hands off China" declaration of 1934, which aroused sharp antagonism in the United States, was received with remarkable equanimity in British official quarters. The United States issued an official statement reaffirming the Nine-Power Treaty and denying the right of unilateral denunciation by any single Power. The British Government, which was also signatory to the Nine-Power Treaty, did not associate itself with this statement. Questioned as to British attitude, the Foreign Secretary, Sir John Simon, stated in the House of Commons on April 30th, 1934, that "His Majesty's Government are content to leave this particular question where it is."

British Conservative and semi-official expression openly backed Japan as the champion against the Chinese national movement, against the Soviet Union and also against the United States. This received emphatic expression in 1934 with the sending of the Federation of British Industries Mission under Lord

Barnby to Manchukuo and Tokio. The banker and leading member of this Mission, Sir Charles Seligman, declared in an interview to the *Osaka Mainichi* :

“I can say that practically every thinking Briton is in favour of a revival of the Anglo-Japanese Alliance.”

The *Financial Times*, in an article entitled “Britain Discovers Manchukuo” (Britain was pledged by the League of Nations decision not to recognise Manchukuo), reported that

“not wholly irresponsible opinion suggests that the Mission is blessed by the Government, that it is the Government’s typically British first step downwards to reality where formal recognition of Manchukuo lies, and that such recognition may lead to a resumption of something approaching the close relations which existed between Japan and Great Britain before 1921.”

(*Financial Times*, August 29th, 1934)

But difficulties were destined to arise in the path of this line. The experience of the Federation of British Industries Mission was not a happy one. It became clear that Manchukuo was to be effectively closed to all non-Japanese enterprise, including British. The Japanese economic invasion, especially in respect of textiles, was pressing British interest hard throughout the Far East in India and even in all the markets of the world. An acute trade war developed between Britain and Japan; and Britain began to put on heavy duties in its colonies against Japanese goods. At the same time it became increasingly clear that Japanese aims were not confined to Northern China, leaving British interests intact, but were directed towards suzerainty over the whole of China, as openly announced in the 1934 declaration,

The British line of co-operation with Japan was in fact based on the calculation that Japan could act as Britain’s watchdog in the Far East, while Britain’s own possessions and interest could remain intact, i.e. that an amicable division of spoils could be effected, with

Japan conducting its expansion in Northern China, and Britain remaining dominant in Central and Southern China, or, alternatively, that Japanese further ambitions of expansion might be diverted against the Soviet Union. But while Japan, like Hitler, was ready to use the anti-Soviet stalking horse in order to win British support for its policies, Japan was fully determined to establish its own monopolist control over the whole of China, and by no means to remain Britain's instrument. Just as Hitler paraded before British reactionary circles as the champion against Bolshevism, not merely for the purposes of ultimate war against the Soviet Union, but in order to advance his immediate aims of Central European domination, so Japan exploited in the same way the British reactionary hatred of the Soviet Union in order to advance steadily its strangle-hold on China.

Even though Britain and Japan may have been able to work together, with increasing friction, up to the present point, the ultimate aims of Japanese expansion come inevitably into conflict with British domination in the Far East. These ultimate aims of expansion are unconcealed, and receive open expression in the literature of the dominant military party. They received their classic expression in the full "Pan-Asian" form in the famous memorandum of the Prime Minister, General Tanaka, to the Emperor in 1927 (whose authenticity has been disputed, but never officially denied, and whose detailed contents have shown a close correspondence to the policy subsequently pursued; the general line can be abundantly corroborated from a host of similar undisputed statements of the military party in Japan):

"In order to conquer China, we must first conquer Manchuria and Mongolia. In order to conquer the world, we must first conquer China. If we are able to conquer China, all the other Asiatic countries and the countries of the South Seas will fear us and capitulate before us. The world will then understand that Eastern Asia is ours....

"With all the resources of China at our disposal, we shall pass forward to the conquest of India,

the Archipelago, Asia Minor, Central Asia and even Europe. But the first step must be the seizure of control over Manchuria and Mongolia..

"It seems that the inevitability of crossing swords with Russia on the fields of Mongolia in order to gain possession of the wealth of North Manchuria is part of our programme of national development....Sooner or later we shall have to fight against Soviet Russia....

"One day we shall have to fight against America. If we wish in future to gain control over China we must crush the United States."

The fantastic ultimate aims here set out are less important than the immediate line of advance, which has been faithfully pursued in the enlarging offensive since 1931. It will be seen that this line of advance is directed towards, first, the seizure of Manchuria and Mongolia as the base for the conquest of China; second, following the seizure of Mongolia, "inevitable" war against the Soviet Union; third, eventual war against the United States (and ultimately, by implication, against British imperialism) for the domination of all the territories of the Western Pacific and Eastern Asia.

This line necessarily involves ultimate conflict with Britain. The inevitability of such future conflict has received expression in a recent book of a Japanese writer, Lieutenant-Commander Tota Ishimaru, entitled *Japan Must Fight Britain*, which declares:

"England is on the down grade. Japan has started on the up grade. The two must come into collision, because England is trying to hold on to what she has, while Japan must perforce expand.

"Territorial resources England has in abundance; she can afford to relinquish some. Japan has insufficient, and to her they are a matter of life and death. England had better swallow her pride, make concessions and avoid a struggle. The Empire of the Rising Sun must have full

freedom of action in Manchuria and China and find open doors and open arms in Australia....

"Should Britain not understand the elementary components of the present problem, Japan would profit by the weakening of the British Empire, the apathy of the Dominions and the weakness and decadence of the British Navy; she would suddenly attack that navy when it is scattered throughout the seven seas. Australia and New Zealand would be the first aims of Japanese conquest. Hong Kong would be taken quickly, and India would be helped by an invasion."

((Lieutenant Commander Tota Ishimaru,
Japan Must Fight Britain, 1935)

Thus a sharp dilemma has arisen for British policy. The original betrayal of collective security over the Japanese attack on Manchuria is coming home to roost. This dilemma was already sharply felt at the time of the Ottawa Impecial Conference in 1932, and was expressed in an article of Wickham Steed, syndicated to the foreign Press in July 1932 :

"The American people, convinced that armed force will be necessary to wipe out Japanese domination in the Far East, will demand a heavy increase of the American Navy. Leaving out of account the new era of armaments which this will open in Europe. The British Government will find itself in a terrible dilemma. It will be condemned to choose between a large increase of the British Navy, to maintain the famous 'parity' with the United States, or the abandonment of its naval position in the Pacific. The more the situation develops in the direction of an inevitable conflict between the United States and Japan, the more cruel this dilemma will become; for, while an increase of naval expenditure will threaten the budget balance, the abandonment of the British naval situation in the Far East would compel Canada, Australia and New Zealand to look for their security by the side of the United States.

"It is this issue, I believe, which will be discussed between the sessions of the Ottawa Conference, as much as any of the questions on the formal agenda. The feeling that we are moving to a new world war may drive the Dominions to enter into an agreement with Britain on economic and political problems."

(Wickham Steed, foreign Press article, re-translated from the Brussels *Soir*, July 8th, 1932)

The United States, after the collapse of the Washington Treaties, and after the failure of all diplomatic protests against the Japanese aggression, is now straining every nerve for future struggle with Japan. The calculation of such future war is open in the expression of American military experts :

"Japan is our most dangerous enemy, and our planes should be designed to attack her."

(Brigadier General William Mitchell, evidence to the Federal Aviation Commission in October 1934)

The recent book, *Must We Fight in Asia ?* by Nathaniel Peffer (New York, 1935—published in England under the title *Japan and the Pacific*), discusses in detail this "inevitable" war. A first blow in the economic field, against both British and Japanese interests, was struck by the Silver Purchase Act of 1934, draining China of silver and disorganising Chinese currency. The basic aim of countering the advance of Japan underlay the recognition of the Soviet Union by the United States in the end of 1933 :

"Economically the results of Russian recognition might prove disappointing...but Russian recognition had another basis, and a character far different from the economic implications here set forth. It represented a counterweight to Japanese aggression at Shanghai and in Manchukuo."

(L. M. Sears, *History of American Foreign Relations*, second edition, 1935, p. 626)

The American unconcealed hopes to force forward a Soviet-Japanese war, following recognition, were defeated by the pacific policy of the Soviet Union. Thus American policy is now concentrating on strategic preparations for future war with Japan, with considerable suspicion (as recently voiced by Senator Borah) that British policy may support Japan by a line of benevolent neutrality. The American air routes and air bases across the Pacific are being rapidly developed. The collapse of the Washington Treaties means that the fortification of naval bases now goes forward unimpeded, and that the previous insuperable obstacles to major naval war in the Pacific are in process of being removed.

The Soviet Union stands firmly by the line of its peace policy, to resist all aggression, but to give way to no provocations to war short of direct aggression. The warning of Stalin's interview in March 1936 against any attack on Outer Mongolia, and the subsequent treaty for common defence between the Soviet Union and the Outer Mongolian People's Republic, have strengthened this stand, and given the Japanese militarists reason to think twice before developing their threatened attack in this quarter.

In this situation what is to be the alignment of British policy? During 1935 Britain still wavered between attempting to find a basis of compromise with Japan for the joint spoliation of China, or attempting to reach an independent basis of understanding with the Chinese Nanking Government against the monopolist domination of Japan. Proposals of a joint international financial loan to China in the beginning of 1935 sought to counter the attempted exclusive Japanese domination of the Nanking Government and maintain British financial leadership in China. But these proposals met with a sharp "Hands Off" warning from Japan. The British Mission, headed by the Treasury expert, Leith Ross, to Tokio in the autumn of 1935 met with an unfavourable reception. According to the semiofficial reports of the conversations in the Japanese Press, the conditions put forward by Japan for any form of agreement with

Britain not only included British recognition of Japanese supremacy in China, but also Britain's agreement to the "Open Door" for Japanese trade and capital within the boundaries of all the British possessions in the Far East and even within the British Empire as a whole. The Leith Ross Mission then proceeded to Nanking, and organised the Chinese currency reform, taking China off the silver standard and establishing an unexchangeable paper currency to be backed by British credits; this represented a blow against both the American silver policy and Japanese domination, and was aimed to establish British influence in Nanking against the Japanese moves for a general "Sino-Japanese agreement," i. e. the subordination of the Nanking Government to Japanese control.

Two conflicting currents of expression have developed in British ruling opinion in the face of the present dilemma in the Far East. One tendency, which now begins to come increasingly to the front, favours temporary Anglo-American co-operation against Japan (the view most strongly held by Dominions opinion, and typically voiced by General Smuts). The other tendency still favours support of Japan as the only means of safeguarding British interests, and looks hopefully to the possibility of eventual Japanese war on the Soviet Union as the ultimate solution.

The line of co-operation with the United States received expression in the speech of General Smuts to the Royal Institute of International Affairs in November 1934:

"I would say that to me the future policy and association of our great British Commonwealth of Nations lie more with the U. S. A. than with any group in the world. If ever there comes a parting of the ways, if ever in the crises of the future we are called upon to make a choice, that, it seems to me, should be the company we should prefer to walk with and march with to the unknown future..The Dominions have even

stronger affiliations towards the U. S. A. than Great Britain has. There is a community of outlook, of interests and perhaps of ultimate destiny between the Dominions and the U. S. A.

“While, therefore, our Far Eastern policy should, I submit, be based on friendship with all, and exclusive alliances or understandings with none, the ultimate objectives of that policy should continue to conform to that general American orientation which has distinguished it since our association with the U. S. A. in the Great War.”

(General Smuts,, speech to the Royal Institute of International Affairs, November 12th, 1934)

Following up this line, Lord Lothian wrote:

“That the United States and the nations of the British Commonwealth will be driven together in resistance to Japan, if her leaders adopt the militarist policy is absolutely certain. It is only a question of time and of what disasters may occur in the meantime.”

(Lord Lothian, article in the *Observer*,
November 18th, 1934)

The alternative arguments, voiced especially on the part of British military and naval authorities, for continued co-operation with Japan, were expressed by Captain D. M. Kennedy in a series of articles on Japanese policy in the Far East in the *Daily Telegraph* in January 1935:

“There can be little doubt that, whereas Japan can be a good friend, she would be a most dangerous enemy.

“This is particularly true in respect to ourselves; for, in the event of an actual clash, Hong Kong—isolated as it is—would be liable to

become a second Port Arthur or Tsingtao, while our handful of troops in Shanghai and North China would be cut off from all possible relief. Even Singapore would be in none too happy a position..

"This is not a pleasant prospect, but it is one that would have to be faced if we followed the advice of those who urge an Anglo-American front against Japan."

(Captain D. M. Kennedy in the *Daily Telegraph*,
January 31st, 1935)

Similar arguments were presented from the Japanese side by the Japanese military writer, Hirata Shinsaku, already in 1933:

"With the Japanese Navy as an enemy, the British fleet will be placed in an inferior position simultaneously in the Far East, the Mediterranean and the Atlantic; while with the Japanese Navy for an ally it will be absolutely supreme in the Atlantic and the Mediterranean with no impairment to the security of the British Empire in the Pacific.. In my view a military alliance with Japan is the condition precedent to the reconstruction of the British Empire."

(Hirata Shinsaku, *Japan Chronicle*,
February 4th, 1933)

The dilemma of British policy is the inevitable sequel of the betrayal of the line of collective security, the original support of Japanese aggression in China in the hope of maintaining Japanese partnership in the spoliation of the Far East, and the simultaneous hostility to the United States and to the Soviet Union.

The conflicts of imperialism develop in the Far East with increasing sharpness, and more and more openly find no ultimate outcome save war. At the same time the national revolutionary struggle of the Chinese people against all the imperialists advances; Soviet China,

despite the repeated counter-revolutionary offensives with the support of all the imperialist Powers, maintains and builds up its strength, extending from its base in Szechwan through Central China, and more and more clearly shows the way forward for all China; the united national revolutionary front of the Chinese people develops.

As this outcome, on the one hand, of inter-imperialist war, and on the other hand of advancing national revolutionary liberation of China, comes more and more clearly into view, alternative tendencies in the imperialist circle of all three countries, in Japan, in Britain and in the United States, increasingly endeavour to find an illusory "way out" by seeking to turn the point of the Japanese aggression to be directed against the Soviet Union. The militarist-Fascist Japan are open in this ultimate aim; and Japan had drawn up its military alliance with Nazi Germany in preparation for a future attack when the situation in Europe shall appear ripe. British reactionary and pro-Fascist circles are no less open in their support and encouragement of Japan in such an aim. The existence of similar tendencies in the United States, in association with the corresponding circles in Britain and Japan, was testified by General Graves, the original leader of the American army of intervention against the Soviet Union in the post-war period:

"For prosecution of a war with a first-class Power Japan must have financial assistance and supplies. I anticipate Japan will have no difficulty in getting all the aid she needs. There are many people in the United States who would be glad to assist in the destruction of a communist State, and similar sentiments are to be found in England."

(General W. S. Graves in *Current History*,
August 1934)

To these policies of playing with fire, which find open expression in reactionary British and American as well as Japanese circles, it will be necessary to return in the next chapter on the relations of imperialism and the Soviet Union.

2. The United States and the Future of the British Empire

The Anglo-American antagonism, which has been traced partially in reference to the naval issue and the Pacific in the previous section, has developed, not only in the Far East, but all over the world, and especially in Southern America and the British Dominions. To trace the threads of this conflict in the South American States, in the Argentine, Brazil and Peru, and in the Chaco war of Bolivia and Paraguay, would go far beyond the compass of the present book. But the issue of the future of the British Empire, the tendencies to economic and political disintegration, and the counter-attempts of the British ruling class to draw closer the links and strengthen its hold, as well as the growing role of the United States in relation to the British Dominions as the expectant heir and potential future political centre of the English-speaking world, constitutes one of the major issues of imperialist conflict in the post-war world.

The British Empire, the largest of the world empires, represents in the eyes of the rival imperialist Powers, the richest ultimate prize of the battle for the new division of the world. Formally, the British Empire covers 13.3 million square miles with 500 millions of population, or rather less than a quarter of the earth's surface, and roughly a quarter of the world's population. If to this are added the nominally "independent" States of Egypt, under British military occupation, and Iraq, under the occupation of the British Air Force, the Himalayan State, add the subordinate and closely associated Portuguese and Dutch Empires, a total would be reached of 16 million square miles and 600 millions of population within the sphere of influence of British imperialism.

But the strength of British imperialism is far from corresponding to the size of its Empire. Of the 500 millions within the Empire proper, 360 millions represent the Indian people, steadily advancing in the struggle to independence; 430 millions in all

or 86 per cent, represent subject colonial peoples of non-European race, held under autocratic rule, and in varying degrees of revolt. There remain roughly 70 millions white race compared with the 110 millions white population of the United States. Of these 70 millions constituting the British Isles (3 millions constituting the Irish Free States with deep-seated antagonisms to British imperialism): while 20 millions occupying the four overseas Dominion countries, Canada, Australia, New Zealand and South Africa, represent partially independent secondary imperialist Powers in only limited association with British imperialism. But these 20 millions, constituting one-hundredth part of the earth's population occupy no less than one-seventh of earth's surface, and maintain a rigidly exclusive policy limiting immigration from other than British sources and in practice also from British sources (in the thirteen years between 1919 and 1931 inclusive, the total migration from the United Kingdom to Empire destinations has numbered 2.25 millions, and in the most recent period even this degree of migration has temporarily given place to a net surplus of returns to the United Kingdom). This contradiction strikes forcibly the imagination of other nations and races outside the Empire. The British Dominions contain the principal undeveloped and underpopulated territories of the capitalist world. No wonder the other imperialist Power look with longing eyes towards these territories, no less than to the rich profits of the exploitation of the subject colonial peoples of the British Empire.

We have already seen how Japanese expansionist policy looks hopefully to inherit the British territories in the Pacific. We shall have occasion to see how Italian Fascism similarly dreams of inheriting the British Empire in the Mediterranean region, in the Near East and Northern Africa. But alongside these the United States has already thrown its eyes on the British and Dominions, works actively to draw them in its orbit. The decline and ultimate demise of the British Empire is widely taken for granted as a fact of world politics and its possessions are seen as the richest spoils of the final battle for the new division

of the world. British imperialism, however, is straining every nerve, for the struggle to maintain hold of its possessions.

In 1924 Sir Auckland Geddes, addressing a meeting of the English-Speaking Union under the presidency of Balfour, and with accompanying speeches of Baldwin and others, sounded a warning note. "The Dominions," he said, "speak of us as the motherland"; but in this expression, and in their attitude to Britain, there is an implicit suggestion of "something of old age, if not senility." He continued :

"Those who look out on the Pacific feel that in Washington there is an instinctive understanding of their difficulties which they have laboriously to explain in Downing Street It often happens that when our Dominions look to us here, there is no sympathetic answer, no understanding; and they look to Washington, and Washington is not devoid of eyes and will look back at them."

(Sir Auckland Geddes, address to the English-Speaking Union, *Manchester Guardian*

November 12th 1934)

This note was to be sounded with increasing frequency in succeeding years. "Economically and socially Canada may be considered as a northern extension of the United States," declared the United States Department of Commerce Reports No. 44. of 1924. "Serious-minded Australians," affirmed the Prime Minister of Australia, Bruce, in 1925, are beginning to wonder "whether we are safe in depending solely on the British Navy" (*The Times*, June 10th, 1925). Nor was it only a question of the Navy. New financial bonds were being forged. In addition to the United States displacing Britain as the chief foreign investor in Canada, the first signs of the similar penetration into Australia began. In July 1925. Australia, previously financed exclusively from London, drew a loan of 100,000,000 dollars from New York; the city agreed "as it was not likely that sufficient money would be available in London to meet Australian requirements for some time "

(*The Times*, July 9th, 1925). At the Imperial Conference in 1926 the Dominions extracted from British Capitalism, weakened by inner social struggle, the famous declaration of Dominion Independence, subsequently embodied in the Statute of Westminster. At this same conference, the Liberal political McCurdy, noted in the *Contemporary Review* for December 1926, the Dominions for the first time began to question the economic stability of Britain: "Not until the present year did it enter their heads to raise so intimate a question as the economic stability of Great Britain herself." In vain the British Prime Minister, Baldwin, pleaded at this conference that Britain had by 1925 lent £850 million to the Dominions: "From no other source could such large sums have been provided on such favourable terms." In November 1926 the Australian Prime Minister brutally posed the question of British financial capacity to continue to supply the Dominions needs:

"If during the next few years it is feared that British surplus capital is insufficient for a lending policy on the same scale as in the past, let this fact be freely and frankly admitted."

(S. M. Bruce, Prime Minister of Australia,

The Times, November 17th, 1926)

And in the Page Memorial lecture in the same month, he declared:

"That they in Australia should have a natural sympathy in regards to America was not greatly to be wondered at. They had similar problems of development, and another bond was a similar attitude of mind towards the policy of non-intervention with regards to troubles which arose from time to time in the over-civilisation of Europe. They felt, too, that when America struck the blow for liberty in the eighteenth century she struck a blow for all the Dominions to-day, and her success had found expression in their full measure of Empire citizenship."

(S. M. Bruce, Page Memorial Lecture.

(*The Times*, November 12th. 1926)

In 1927 the American publicist, Frank Simonds, was writing :

"If the United States should adopt a doctrine in the Pacific which was like the Monroe Doctrine and gave our guarantee to the *status quo*, then the last material basis for the association of Britain and Australia would disappear. . . . Looking at the map, it is clear that there is every geographical reason why we may one day become the centre of the English-speaking world."

(Frank H. Simonds, in the *American Review of Reviews*, quoted in the *British Review of Reviews*,

February—March 1927)

Even as late as 1934, after the British counter-offensive was in full swing and the American headlong advance had been stayed by the economic crisis, General Smuts could declare in his speech in November 1934 :

"The Dominions have even stronger affiliations towards the U.S.A. than Great Britain has. There is a community of outlook, of interests and perhaps of ultimate destiny between the Dominions and the U.S.A."

(General Smuts, speech to the Royal Institute of International Affairs, November 12th, 1934)

What lay behind this increasing independence of the British Dominions from the old British hegemony and orientation towards the United States ? Behind this process lay the increasing economic disintegration of the British Empire, especially in respect of the relations of Britain and the Dominions, with an accompanying political disintegration, which marked the post-war years. Between 1913 and 1929 the proportion of overseas Empire imports from the United Kingdom fell from 44 per cent to 34 per cent and of exports to the United Kingdom fell from 48 per cent to 34 per cent. In the same period the proportion of overseas Empire imports from the United States

rose from 22 per cent to 26 per cent. Thus by 1929 the United Kingdom held 34 per cent of Empire markets, while the United States had risen, despite Empire preferences, to 26 per cent. This figure was, however, exaggerated by the effects of the overwhelming United States dominance in the Canadian market (68 per cent in 1929 against the British 15 per cent). Nevertheless, the American advance and British decline in the other Dominions and also in India was notable. In Australia during the same period the United States advanced from 14 per cent of the market to 25 per cent, while Britain sank from 52 per cent to 40 per cent; in South Africa the United States advanced from 9 per cent to 18 per cent, while Britain sank from 57 per cent to 44 per cent; in India the United States advanced from 3 per cent to 9 per cent, while Britain sank from 65 per cent to 43 per cent.

At the same time as the overseas Empire was thus moving economically away from Britain, Britain was becoming increasingly dependent on the overseas Empire. The proportion of British exports to the Empire (excluding the Irish Free State) rose from 32.9 per cent in 1913 to 40.9 per cent for the average of 1924—1929; the proportion of British imports from the Empire rose from 24.9 per cent to 30.6 per cent. Britain, economically weakening in foreign markets, was becoming more and more parasitically dependent on the Empire, while the Empire was moving economically away from the British connection.

The Dominions, which had been originally developed with British capital to fulfil the colonial role of agrarian auxiliaries and sources of raw materials for British industrial capitalism, were now advancing to the position of independent industrial capitalist States, although still financially and strategically tied to Britain. Between 1912 and 1931 Australian manufactures rose in value from £39 million to £106 million, or from one-fifth to over one-third of the total production; South African manufactures rose from £17 million in 1911 to £112 million in 1930; Canadian from 1,166 million dollars gross value in 1911 to

2698 million dollars in 1932 (Westminster Bank *Monthly Review* for December 1934). Meanwhile British exports of manufactures sank from £411 million in 1913 to £280 million in 1933.

Hand in hand with this process of economic disintegration went increasing tendencies of political disintegration. Ireland had found for its republican independence in armed struggle against the "Black and Tan" terror of British rule, and only finally accepted the partition and incomplete independence represented by the "Irish Free State" in 1922 under the direct threat of full-scale "war" from the British Prime Minister. South Africa under Herzog pressed for independence and the right of secession. The Australian Prime Minister, as we have seen, quoted the American war of Independence as the model which had "struck a blow for all the Dominions to-day." The Chanak crisis in 1922 had revealed that the Dominions would not necessarily stand with Britain in the event of war. The Locarno Pact in 1925 was signed by Britain without the Dominions. At the Imperial Conference in 1929 the Dominions united to extract from Britain the declaration of extreme Dominion autonomy, expressed in the resolution defining the relations of the United Kingdom and the Dominions as "Autonomous communities within the British Empire, equal in status, in no way subordinate to one another in any aspect of their domestic and or external affairs, though united by a common allegiance to the Crown, and freely associated in membership of the British Commonwealth of Nation." But the report of the Committee on Inter-Imperial Relation, which contained this definition, hastened to qualify it by laying down that "the principles of equality and similarity, appropriate to status do not universally extend to function," and that in respect of foreign policy "it was frankly recognised that in this sphere, as in the sphere of defence, the major share of responsibility rests now and must for some time continue to rest on His Majesty's Government in Great Britain." It has also been noted that the Statute of Westminster of 1931, which gave legal expression to the decisions reached, excludes the Constitutions

of the Dominions from alteration except under the conditions previously prevailing.

The British ruling class was not disposed to accept passively the tendencies to economic and political disintegration. The significance of the 1926 Declaration, extorted under conditions of extreme inner difficulty, was minimised in official quarters. "It may have its uses for quotation to suspicious nationalists, but that is all," was the opinion of *The Times* editorial of November 22nd, 1926, which dismissed the new definition as equivalent to no more than a "trifling change" in the title of the King. The "Round Table" of March 1927 noted that the dominions had been granted "everything except the right of secession." The legal expert of British officialism, Professor J. H. Morgan, in an address to the Inns of Court in 1929, under the presidency of the Lord Chancellor objected to the "current misuse of the term, the sovereignty of the Dominions" and laid down that the 1926 Declaration "certainly was not law; it was a political, not a legal act. . . Dominion status had never been defined by the Privy Council." (The Westminster Statute of 1931 and the Privy Council decision of 1935 on the Power of the Irish Free State to abrogate the Irish Treaty have since destroyed the validity of this argument). He continued :

"The Dominions were not legally independent sovereign States, because they had not an independent right of making war. If war were declared by the King on the advice of his Minister in Downing Street, nothing short of a declaration of independence could achieve the neutrality of the Dominions."

(Professor J. H. Morgan, Rhodes lectures to the Inns of Court, *The Times*, March 16th, 1929)

American imperialism (as also the Dominions) took a different view of the significance of the 1926 Declaration. As the *Washington Post* announced :

"The United States must deal separately hereafter with the nations of the British Commonwealth."

(*Washington Post*, November 22nd, 1926)

But it was above all in the economic sphere that the British imperialists set to work to counter the trends of break-up and draw closer the loosening bonds of Empire. The effort towards some form of Empire Customs Union had developed since the later nineteenth century.

"In 1896, at a banquet at the Canada Club in London, Mr. Chamberlain, then Colonial Secretary, had broached the idea of a *Zollverein*, an inter-Imperial Customs Union. Free Trade was to reign within the empire, and a common fiscal policy was to be adopted towards foreign countries. This suggestion was, however, rejected by the colonies, who for revenue reasons found it impossible to dispense with their tariffs."

(G. Drage, *The Imperial Organisation of Trade*
1911, p. 43)

This effort, despite active propaganda, broke down against the inevitable antagonism of interests: on the one side, of the dominions, which were not content to remain the agrarian appendages of British capitalism, but were concerned to develop their own independent industries; and, on the other side, to the world interests of the still dominant British manufactures, commerce, shipping and finance, with two-thirds of British trade outside the Empire, and an elaborate established world network, to which the policy of Free Trade still corresponded. All that was achieved was the very limited measure of colonial preference; and with respect to the practical value of these the Balfour Committee "Survey of Overseas Markets" in 1924 had reported "the remarkable fact that the main increase of tariff rates on British exports has been within the British Empire, where the average *ad valorem* incidence has risen by nearly two-thirds,

while in foreign countries, despite the great increase in the United States tariff, the average *ad valorem* incidence has decreased by one-fifth."

Under the conditions, however, of the increasing weakening of British capitalism in the world field in the post-war period, and especially in the face of the advancing and successful competition of American capitalism, a renewed effort was made to fall back on the inner lines of privileged markets and sources of supply within the Empire and to organise a degree of closer Empire economic unity. The dream of a "self-contained Empire" (or "Empire Free Trade," in the phrase of the Melchett-Beaverbrook campaign of the most active Conservative forces during this period) could not find any realisation in the world of facts, owing to the extremely contradictory conditions. In 1913 three-fourths of British imports were drawn from outside the Empire, and two-thirds of British exports went outside the Empire; and even by 1929 this proportion had only very slightly changed. On the other hand, the total of Empire exports could not in respect of many important commodities supply British import requirements, the deficiency being especially marked in the case of beef, mutton, oats, barley, bacon and butter; while in respect of other important commodities the total Empire exports could not be absorbed by the total British imports and must necessarily fight for entry into foreign markets, the surplus being especially high in the case of wheat and wool (see L. St. Clare Grondona, *Empire Stock-Taking*, for detail figures). Finally there could be no question of the Dominions surrendering their tariffs against British manufactures. The dream of "Empire Free Trade" or a "self-contained Empire" was thus only a propagandist myth. All that could be attempted was to make some partial closer economic adjustments.

This attempt was made at the Ottawa Empire Economic Conference in 1932. Britain registered the demise of its former world-monopoly by the abandonment of Free Trade and the adoption of a complete tariff system; and saddled itself with a heavy network of duties and veiled duties, through quotas, on its foed

supplies in order to win from the Dominions a more-favoured entry for its manufactures. The Dominions preferences in return were, however, of very limited value, since the rates of duty remained high; by 1934 the Federation of British Industries Memorandum on Commercial Policy was complaining that "the Ottawa agreements have proved more beneficial to the Dominions than to Great Britain."

The Ottawa agreements were a weapon of economic war, directed principally against the United States, and an attempt to counteract the disintegrating tendencies of the Empire. The British Prime Minister, Baldwin, stated the issue on the eve of the Conference:

"We were definitely at the parting of the ways.... We had got either to advance in the direction of closer fiscal relationships within the Empire, or to drift apart."

(Stanley Baldwin, House of Commons,
June 16th, 1932)

The Federation of British Industries openly proclaimed the aim to prevent "domination of some foreign economic group" over the Dominions:

"If the nations of the Empire decide, instead of co-operation, to stand alone, each one of them must eventually all under the domination of some foreign economic group."

(Federation of British Industries Memorandum on
Empire Economic Policy for the Ottawa Conference)

American opinion no less definitely recognised them as a weapon of war. The House of Representative majority leader, Rainey, proclaimed them "most dangerous to the United States." Official American estimates placed the loss involved to American trade at 300 million dollars (*The Times*, August 24th, 1932).

It is too early to estimate the final effects of the Ottawa agreements, which are only one symptom of

the gathering economic war of the imperialist blocs. They have had a limited success in checking for a period the tendencies to disintegration, but very limited, and mainly in the sense of increasing the parasitic dependence of Britain on the Empire. The proportion of British exports to the Empire (excluding the Irish Free State) has risen from 32.9 per cent in 1913 and 41.1 per cent in 1931 to 41.8 per cent in 1933. The proportion of British imports from the Empire has risen from 24.9 per cent in 1913 and 28.8 per cent in 1931 to 36.9 per cent in 1933 (Sir George Schuste, "Empire Trade Before and After Ottawa," *Economist Supplement*, November 3rd, 1934). Subsequent figures indicate a further continuation of this line. It will be seen that the main effect has been to increase the role of Britain as a market for the Dominions, but to increase very little the weakening hold of Britain on Empire markets. The proportion of Empire imports from Britain, which had fallen from 44 per cent in 1913 to 34 per cent in 1929, had only risen to 36 per cent by 1933. On the other hand, a blow has been dealt, for the time being at any rate, to American penetration of Empire markets. Between 1931 and 1933 the proportion of Canadian imports from the United States fell from 60.6 per cent to 54.5 per cent, while British rose from 18.3 to 24.2 per cent; of New Zealand imports from 15.8 per cent to 11.4 per cent, while British rose from 49 per cent to 51 per cent; of Indian imports, from 9.9 per cent to 6.1 per cent, while British rose from 36.7 per cent to 41.8 per cent. In this process, however, the effects of the economic depression and of currency divisions have probably had more influence than Ottawa.

This economic struggle is only one aspect of the wider developing struggle. The conflict between British and American imperialism, and in particular between the dynamic invading forces penetrating the British Empire and the counter-offensive of the weakening British imperialism to maintain and strengthen its hold, goes forward ceaselessly in all fields to increasing intensity with no solution within the conditions of imperialism. There is neither an automatic American economic victory (the illusion expressed in Ludwell

Denny's *America Conquers Britain*, written as a paean to America's "inevitable" world economic triumph, on the eve of the American economic crash, and published in 1930), nor an automatic collapse of the British Empire. There is only the certainty of increasing conflict, with the possibility of eventual war so long as imperialism remains.

3. *The Fascist Revisionist Offensive : (i) Italy*

Alongside the gathering extra-European issues, which have their centre of conflagration in the Far East, there remains the other main area of world-conflict for the new division of the world, the area which has its centre in the Fascist revisionist offensive in Europe, with the point of the drive to war directed to Eastern, Central and South Eastern Europe, and extending, across the Mediterranean, in Northern Africa and the Near East. The primary leader and organiser of this war offensive in Europe is Nazi Germany. The secondary leader, in the Mediterranean region, is Fascist Italy.

The advent of Hitler to power in Germany in 1933 brought the Fascist revisionist war offensive to the forefront. In the present period this offensive dominates the European situation.

The revisionist offensive against Versailles in Europe was in any case bound to develop, and had already developed in the pre-Hitler period. Germany, Austria, Hungary and Bulgaria were associated in opposition to the provisions of the Peace Treaties, against the grouping of France, Poland and the Little Entente. In so far as the revisionist movement at that time represented the opposition of the weaker, defeated and disarmed States to the injustices of Versailles, and France at that time was the leader of the most powerful reactionary imperialist forces, fighting to maintain the Versailles domination, high armaments, and against the Soviet Union, during this period the Soviet Union, and similarly Turkey, found themselves frequently on the same side as the revisionist grouping on a number of issues, notably disarmament. The Rapallo Treaty of 1922 between Germany and Soviet

Russia was continued in the Berlin Treaty of 1926. At the same time Italy, representing the dissatisfied element among the victor Powers, sought, for the purpose of its own expansionist aims, to associate itself with the revisionist forces. Thus there developed a division of forces in Europe in the pre-Hitler period which was widely regarded as a basic new alignment. Such was the thesis of the book of V. de Balla, *The New Balance of Power in Europe*, appeared in 1932, and in which the author defined his aim:

“The present study is an attempt to describe the formation of a new European balance of power with its possible consequences of war or peace. Two political groups are racing to attain military supremacy. One of these groups seeks to maintain the political structure of Europe; the other strives to change it.”

(V. De Balla, Preface to *The New Balance of Power in Europe*, 1932)

This general definition of the gathering new conflict of imperialism in Europe was not incorrect. But the attempt to define specifically the two camps was less successful. In the revisionist camp the author placed, not only Germany, Italy, Hungary and Bulgaria, but also the Soviet Union and Turkey. In the alternative camp the author placed France, Poland, Czechoslovakia, Rumania and Jugoslavia. The events of subsequent years were to show the shortcomings of this analysis.

It is manifest that under the conditions of imperialism the issue of revision raises sooner or later the issue of war. There has never been a peaceful revision of treaties in respect of any major issue affecting the territorial frontiers of the Powers. The nearest approach to an exception has been the peaceful dissolution of the union of Sweden and Norway in 1905; but here no Power-relations were affected. The League of Nations Covenant contains formal provision for the revision of treaties; but, as noted in Chapter V, that clause has remained a dead-letter, and attempts to operate it have

been in practice dismissed without a hearing. As Tardieu on behalf of French imperialism openly declared in 1930:

"If a programme of revision were placed on the agenda of an international conference with some prospect of success, within two months we should have world war."

(Tardieu in the French Chamber of Deputies,
November 14th, 1930)

The prospects of peaceful revision within the conditions of imperialism are not promising. The existing injustices and forms of national oppression under the peace treaties will only finally find their solution, if they are not to be made the issue of war, in a deeper social and political transformation.

For this reason it is necessary to distinguish sharply in dealing with the question of "revision" under present conditions. The plea for revision may be in itself a peaceful and justified plea against the manifest injustices of existing treaties. *But so soon as the issue of revision becomes the basis of an imperialist grouping, it takes on an entirely different character as the open challenge to war for a new division of territories, not with any ideal aim of removing injustices, but with the aim of new conquests and spoiliations to turn the existing balance the other way round.*

This is the character of the Fascist revisionist war offensive, and this is the significance of the role of Fascism as the leader of the revisionists campaign. Revisionism is the banner under which Fascism pursues its expansionist war aims,

Italian Fascism had already significantly demonstrated the role before the advent of Hitler. The Italian claims to expansion, registered in the London Treaty of Britain, France and Italy in 1915 (although circumvented in respect of Asia Minor by the British-French Sykes-Picot agreement behind Italy's back in 1916), had been in great part thwarted by

the dominant Powers at the Peace Conference. As later in Germany, so in Italy, Fascism developed first in these countries as the weapon of the bourgeoisie in a weakened imperialist country, not only against the working-class revolution, but also in order to pursue its offensive war aims against the others Powers, the internal and external role of Fascism being in fact closely related.

For a number of years previous to Hitler's coming to power Italian Fascism had actively voiced the revisionist claims. In his speech to the Senate on June 5th, 1928, Mussolini called specifically for the revision of Versailles; and again in his speech at Naples on October 25th, 1931, he attached the "territorial absurdities" of the post-war settlements: "It is impossible to talk about the reconstruction of Europe if certain clauses of Peace Treaties . . . are not changed." Needless to say, in thus demanding, in a manner of high statesmanship, the revision of the "territorial absurdities" of the post-war settlements, Mussolini did not and that he had no intention of surrendering the non Italian population of South Tyrol, secured to Italy by the Treaty of St. Germain, but that he was only concerned to secure a free path for Italian expansionist aims in the Balkans, in Africa and Asia Minor.

But it was not until the effects of the world economic crisis had developed, and Hitler had come to power in Germany that the road was open for the revisionist war offensive of Fascism to enter on the path of action. An attempt to reach a combined foreign policy of the two leading Fascist war dictatorship was made at the Venice meeting of Hitler and Mussolini in June 1934; but this attempt broke down over the antagonism for the control of Austria. Italy built up its *bloc* on the basis of a close alliance with Austria and Hungary (embodied in the Rome Pact of the three countries in March 1934, and further strengthened in the second Rome Pact of March 1936). Germany was not ready for action until a heavy process of rearmament, throwing off the military shackles of

Versailles, could be completed. Thus it was Italy that first went into action with the launching of the war on Abyssinia in 1935. The Fascist war offensive had begun.

The Italian side of the Fascist war offensive came into conflict with the interests of British imperialism. British policy had given a considerable measure of support to the Fascist revisionist offensive, assisting diplomatically and materially the process of German re-armament, both as a means to counter French hegemony in Europe, and also with the ultimate aim, on the part of powerful reactionary sections, to encourage the Nazi plans of aggression in Eastern Europe against the Soviet Union. This dangerous policy now produced its first boomerang effect. For the Fascist war offensive first broke out in a quarter highly inconvenient to the interests of British imperialism.

The possibility of the Italian conquest of Abyssinia was not in itself looked upon as undesirable from the standpoint of British interests. As the Maffey Inter-Departmental Committee Report in June 1935 made clear, such a conquest might be "a boon" in peace conditions, though "a menace" in wartime. Even the special British interests in Lake Tana and the basin of the Nile could be secured by a joint spoliation if Britain obtained the dominant position in Northern Abyssinia.

"Whereas in case of war between Great Britain and Italy an efficient Italian control of Abyssinia would be a menace to neighbouring British possessions, it would be a boon in normal everyday administration. . . .

"The principal British interest in Abyssinia is constituted by Lake Tana and the basin of Nile.. Should Abyssinia disappear as an independent State the British Government should try to obtain territorial control over a corridor joining it with the Sudan."

(Report of the Inter-Departmental Committee presided over by Sir John Maffey, Permanent

Under-Secretary of the Colonial Office, June 1935,
published in the *Giornale d'Italia*, February 19th,
1936, and reprinted in *The Times*

February 20th, 1936)

Thus a settlement by joint spoliation was not impossible, so far as local interests were concerned. But it was the wider strategic interests involved, the "menace in case of war," and the wider aims of Italian offensive, that raised the problem. Control of the mediterranean and the Red Sea represented for Britain its vital line of communication with its Empire in Africa, the Near and Middle East, India and Australia. An Italian dominance in the region of the Red Sea, on the basis of control of a solid block of Eritrea, Abyssinia and Somaliland, as well as of Yemen on the other shore, meant not only a deadly peril to that line of communication, but was also regarded as the starting-point for an ultimate converging attack, from Libya in the west and Abyssinia on the south, for the conquest of the Sudan and Egypt. For there was no doubt of the ultimate plans of Italian imperialism. As one of the leading and far from alarmist organs of British imperialism stated :

"There is some reason for thinking that Signor Mussolini has long been convinced that the only way in which Italy would meet her essential needs for outlets for her population, and for markets and raw materials, was at the expense of the British Empire. It is said that his idea to build a fleet that would end the British naval preponderance in the Mediterranean; to annex Abyssinia, partly in order to settle Italians there, partly as a market and a source of raw materials, but partly in order to create a formidable army of black janissaries; and then, after building railways and aerodromes and roads in Libya leading to the Egyptian and Sudanese frontiers, to take the first opportunity created by an international crisis to seize the Sudan and Egypt and all British possessions in the Eastern Mediterranean. It is also alleged that, like many continental dictators before him, Signor Mussolini

had come to the conclusion that Great Britain and the Dominions were 'pacifist' and effete, and that the British Commonwealth was a 'stranded whale' from which blubber could be cut with impunity."

(*The Round Table*, December 1935)

This was the aspect of the Italian offensive which brought British imperialism into action. In contrast to the previous passivity in the face of the Japanese invasion of Manchuria, and in contrast to the previous line of continuous minimising of the League of Nations Covenant and of the whole conception of collective security (as in the classic Balfour declaration of 1925, and illustrated again as late as November 1925, in the Baldwin declaration that "a collective peace system is perfectly impracticable" and hardly worth considering"), British policy now sought to make a sudden turn and to utilise the Covenant in order to mobilise the support of other countries against Italy, while at the same time continuously making offer to Italy for a settlement of partial spoliation, in defiance of the Covenant, at the expense of Abyssinia.

But this two-faced policy only ended in the paralysis of effective resistance to the Italian aggression. The belated and half-hearted attempts to invoke the Covenant broke against, not only the pledges of partition to which both Britain and France were committed to Italy, but still more against the general policy of support of the Fascist revisionist offensive which Britain was pursuing in the wider international field. In the face of British support of Nazi Germany, France had made up its differences with Italy and concluded the Franco-Italian Rome Agreement in January 1935, leaving Italy a free hand in its colonial expansion aims in Africa. France was, accordingly, not prepared to take any effective action against Italy, unless Britain could give France a definite pledge of a parallel stand against any aggression of Nazi Germany in Europe. Just this pledge Britain was not prepared to give. Every insistent question from France met with an evasive answer, as in the British Note of September

1935, insisting on "elasticity" in the interpretation of the Covenant in such a case:

"In the case of a resort to force, it is clear that there may be degrees of culpability and degrees of aggression, and that consequently in cases where Article 16 applies, the nature of the action appropriate to be taken under it may vary according to the circumstances of each particular case..... Elasticity is a part of security the world is not static."

(British Note of September 26th, 1935, in reply to the French Inquiry of September 10th. 1935, as to the British attitude with regard to collective action in the case of aggression in Europe)

Thus Britain refused to give France any guarantee of a collective stand against German Nazi aggression in Europe. So long as this was not forthcoming, France preferred to make sure of the support of Italy, and in practice impeded the demand for a collective stand against the Italian Fascist aggression in Africa. In this way, on the basis of the British-French antagonism, and, in particular, of the British support of Nazi Germany, as well as of the general imperialist entanglement with the aims of Italian expansion and fears of weakening the Fascist regime in Italy, the policy of collective security broke down in practice before the Fascist war offensive, which carried its slaughter and destruction among the Abyssinian people, unimpeded by the very weak and partial economic sanctions.

The unchecked success of the Italian war on Abyssinia dealt a heavy blow, not only to the League of Nations whose impotence was once again demonstrated but also to British imperialism, which had been actively concerned in the issue, but which had been paralysed by the contradictions of its own policy, and had only encouraged Abyssinian resistance without giving any effective assistance to Abyssinia (even the ban on arms to Abyssinia had been maintained, in defiance of the 1930 Treaty, until after the outbreak of war, a ban on financial assistance to Abyssinia was maintained throughout, despite many appeals). The outcome still

further increased the dilemmas of British policy. Although Mussolini, after the establishment of Italian power at Addis Ababa, announced (in an interview to the *Daily Mail*) that Italy could henceforth be reckoned among the "satisfied" Powers, and had no further ambitions, such assurances—familiar in the technique of Fascist, and indeed of all imperialist, diplomacy—could deceive none. It was manifest that Italian aims of expansion were only whetted by the absence of resistance to the Abyssinian aggression, and were being pushed actively forward, both in relation to the Balkans and ultimately in relation to the existing British interests and possessions in the Mediterranean. Once again the betrayal of collective security was coming home to roost,

The international negotiations and manoeuvres which had accompanied the Italian war on Abyssinia, and especially the sharp interchanges of Britain and France, no less than the Rhineland crisis which broke out in the spring of 1936, taking advantage of situation created by the Italo-Abyssinian war, made abundantly clear that the major issue dominating the international political situation was not the Italian war on Abyssinia, but the question of Nazi Germany. This was the decisive issue governing alike the policies of Britain and of France: Italy, which for thirteen years of the Fascist regime, despite all its warlike boasts, had been compelled to play a small role in the international field, confining its outbursts to minor bullying escapades like the bombardment of Corfu, had only now been able to break loose and enter on a full war of conquest, because the whole international situation had been thrown into confusion by the advance of Nazi Germany. The Italian war on Abyssinia was in fact only the prelude of the Fascist war offensive. The real heart and centre of the Fascist war of offensive, more and more visibly dominating the whole European situation in present period, is Nazi Germany.

4. *The Fascist Revisionist Offensive: (ii) Nazi Germany*

The advent of Hitler to power in Germany in 1933 transformed the international political situation.

Internally, it meant the domination of the most savage and decadent class-dictatorship of reaction known to history, the open enemy of all culture, controlling the lever of the technically most highly developed and powerful capitalist country outside the United States. Externally, it meant the open drive to war unconcealed aims of aggression and territorial expansion, so soon as the necessary rearmament and diplomatic preparations were complete, on the part of this new type of "totalitarian" imperialist State which outstripped every previous imperialist model in working to organise the entire population, economy and ideology as a single co-ordinated and disciplined war machine. The crimes and illusions of the earlier post-war period, of Versailles on the one hand and of the social democratic policies on the other, had reaped their dragons' crop.

The aggressive, expansionist aims of Nazi Germany are open and unconcealed. They follow from the whole character of German "National Socialism" or Fascism as the scientifically worked out instrument of the most imperialist, chauvinist and reactionary elements of German finance-capital, and of its leading military organ, the General Staff, fighting, not only to crush the inner-revolutionary movement of socialism, but to reverse the outcome of the war of 1914—1918, to establish German military hegemony in Europe and ultimately on a world scale, and thus to win adequate scope for German finance-capital.

These aims are set out with basic clearness in the bible of German Fascism, and the only authoritative exposition of its doctrine, Hitler's *Mein Kampf* ("My Struggle"—it is to be noted that the English version issued under this title, with the permission of the German Government, is a considerably abbreviated version, omitting many of the most significant bellicose passages, still circulated in Germany; there exists a complete French translation, under the title, *Mon Combat*, against which German attempts were made in vain, through the French law courts, to secure its suppression). Since attempts are made to-day by Nazi propaganda to confuse the innocent outside Germany

by suggestion that *Mein Kampf* has been rendered "out of date" by the subsequent "peace speeches" of Hitler in power, it is necessary to recognise, first, that *Mein Kampf* continues to be circulated under Government auspices in millions of copies in Germany as the official and authoritative exposition of the ruling Nazi doctrine, to be learnt and studied by every inhabitant¹; second, that direct requests and challenges from the heads of neighbouring States (as in the presidential speech of Molotov at the Seventh All-Union Soviet Congress in 1935, and in the speech, of the French Premier, Flandin, on March 20th, 1936) to repudiate directly the expression of open expansionist aims contained therein have been met so far with continuous refusal to repudiate them; and third, that the method of deliberate propagandist deception, as by "peace speeches" before the time is ripe for the attack, is recognised and extolled in Nazi doctrine as a legitimate and necessary weapon (plentiful examples of this method of Hitler's diplomacy are already available, as in the original solemn pledge "voluntarily" to accept and maintain Locarno, and the subsequent repudiation; the declaration after the Saar vote that no further question affecting the frontiers remained between France and Germany, and the subsequent coup to re-militarise the Rhineland; or the concealment and misinformation with regard to the Air Force, which, according to Baldwin's subsequent confession, completely "misled" the British National Government).² *Mein Kampf*

1. Compare the official circular issued by Dr. Rust, Prussian Minister of Education, and subsequently Reich Minister of Education, immediately after the installation of the Nazi regime in March 1933:

"I ask the school authorities to take special care for the provision of the schools with suitable books. First place has, of course, to be given to the Leader's *Mein Kampf*. There must soon be not a single boy or girl who has not read this work, and it is the task of every teacher to elevate the spirit of true National Socialism as it is embodied in *Mein Kampf* as the guiding principle of his teaching."

2. The general principle is expressed in the book of Colonel Hierl, one of the leading military authorities of the Nazi regime, entitled *Foundations of German War Politics*:

"There are two kinds of pacifism; the true pacifism which is a product of timidity, and the false which is a recognised

remains the official and up to the time of writing, unrepudiated statement of policy of the present ruling dictatorship of Germany.

What, then, are the teachings of *Mein Kampf* with regard to the aims of the foreign policy of the Nazi reactionary rubbish, racial megalomania, pogrom-incitements against Jews, Czechs, Poles, Slavs, the "bastardised" "negroid" French, and similar "inferior races," and confine attention to the specific statements of aims of foreign policy. All quotations are taken from the 1936 edition of *Mein Kampf* (171st edition), as officially circulated in Germany at the time of writing.

First, war is held forward as the ideal for the human race, peace as ruin :

"In eternal warfare mankind has become great—in eternal peace mankind would be ruined" (p. 149).

Second, the aim of every alliance must be war :

"An alliance whose aim does not include the intention of war is senseless and worthless" (p. 749).

Third, the central principle of German foreign policy, its "political testament," must be to strike down every other military Power in Europe :

"The political testament to the German nation for its external activity will and must always proclaim : Never permit two continental Powers to arise in Europe. In every attempt to organise a second military Power on the German frontier, even though it be only by the formation of a State

political weapon, indispensable to any preparation of war. This lulls the adversary by peaceful professions and thus tempts him to neglect his armed defences. The potential foe is thereby enveloped in a smokescreen of verbiage which serves the further purpose of concealing our own armaments."

This technique of "pacifism" is familiar to all imperialism ; but like all the other technical methods of imperialism, it has been carried to a very highly developed point by the Nazi regime.

capable of becoming a military Power, you must see an attack on Germany, and you must consider it not only your right, but your duty to prevent such a State coming into existence by all possible means, including the use of force of arms, and if such a State has already come into being, it must once again be shattered" (p. 754).

Fourth, the aims of the revisionist offensive, for the re-conquest of Germany "lost territories," can only be achieved by war :

"It is necessary to understand clearly that the reconquest of the lost territories cannot be achieved by solemn appeals to Almighty God or pious hopes in a League of Nations, but only by armed force" (p. 708).

"Suppressed provinces are not led back into the lap of an empire by flaming protests, but through a well-sharpened sword. To forge this sword is the object of a people's domestic policy ; to see that this process of forging is carried out in security and to seek allies in arms is the object of its foreign policy" (p. 689).

Fifth, the central aim of German foreign policy must be the conquest of territory :

"In contrast to the attitude of the representatives of that period (the pre-war period), we must return to the recognition of the above standpoint for all our foreign policy : namely, to bring our territory into harmony with the numbers of our people.... land and territory as the aim of our foreign policy" (p. 735).

Sixth, the aim of the revisionist offensive cannot be confined to the re-conquest of the frontiers of 1914, which are insufficient alike from a racial and from a military-geographical point of view :

"The demand for the restoration of the frontiers of 1914 is a political lunacy....The frontiers of the

Reich in 1914 were anything but logical. They were in reality neither complete, as regards the unification of people of German nationality, nor reasonable in respect of their military-geographical suitability....The frontiers of 1914 mean for the future of the German nation nothing whatever" (pp. 736—738).

Seventh, the aim of German foreign policy for the conquest of new territory must be directed especially to Eastern Europe, to conquer territory from the States of Eastern Europe, and in particular from the Soviet Union and from the border States.

"For Germany the only possibility for the carrying out of a sound territorial policy lay in the winning of new land in Europe itself....When one would have new territory and land in Europe, this could in general only happen at the cost of Russia" (pp. 153—154).

"We stop the eternal march to the south and west of Europe and turn our eyes towards the land in the East....If we speak of land in Europe to-day we can only think in the first instance of Russia and the border States under her influence. Fate itself seems here to point the way forward for us....The giant State in the East is ripe for collapse" (p. 743).

"The future aim of our foreign policy must be neither a Western nor an Eastern orientation, but an Eastern policy in the sense of the conquest of the necessary homestead for our German people" (p. 757).

Eighth, in order to realise these expansionist aims, Germany should strive to build up an alliance with Britain and Italy, so as to break the Entente, isolate the "mortal enemy," France, and secure strategical freedom of movement, since at the present stage there cannot yet be question of challenging Britain as a world Power ;

"England does not want Germany as a world Power, France does not want Germany as a Power at all. An important difference. At the present day we are not fighting for the position of a world Power, but for the existence of our country, the unity of our nation and bread for our children. If we look from this standpoint for allies in Europe, there are only two States, England and Italy" (p. 699).

"Such an alliance (with England and Italy) would give Germany the possibility to carry forward undisturbed the preparations which must be carried forward in order, from within such a coalition, in one way or another, to reach a final reckoning within such a coalition, in one way or another, to reach a final reckoning with France. For the significance of such an alliance lies precisely in this, that Germany is thereby not at the mercy of a sudden invasion, but that the opposing alliance is broken, the Entente, which has caused us so much misfortune, is dissolved, and thereby the mortal enemy of our nation France, is condemned to isolation. Even if such a success produced at first only a moral effect, it would suffice to secure for Germany a hitherto inconceivable freedom of movement. The effective initiative would lie in the hands of the new European English-German-Italian alliance, and no longer with France. The further consequence would be that at a stroke Germany would be freed from its unfavourable strategic position. The powerful protection of its flank on one side, and the full assurance of supplies of foodstuffs and raw materials on the other, would be the splendid result of this new configuration of States" (pp. 755—756).

Ninth, the final aim, described in the "Conclusion" ; appended to the book, is German world hegemony :

"Germany must of necessity win the place in the world that befits it, if it is led and organised according to these same (Nazi) principles.

"A State, which in the age of racial poisoning devotes itself to the fostering of its best racial elements, must one day become the lord of the earth" (p. 782).

This is the systematic exposition of Hitler's aims. Nothing is lacking here in clearness. No such open expression of aims of aggression and expansion at the expense of its neighbours has been made by any State in modern times, through the mouth of its supreme ruler. There is no excuse for uncertainty on the part of any State or people in Europe as to the German Nazi intentions. Indeed, in so far as any of the neighbouring States have shown a tendency to fall into line with Nazi Germany, as to some extent Poland, and to a lesser extent Holland and Denmark, there is evidence to show that they have only done this through fear and despair of the possibility of resistance. And this is the paladin whose utterances are to-day applauded by British bishops and archbishops and noble lords—even at the same time as his basic aim is clearly explained to pay court to Britain in order to isolate Britain and France, to secure strategical freedom of movement, and ultimately, after winning, domination in Europe, to advance to world hegemony, that is, to wrest from Britain its colonial empire.

The German Nazi dictatorship's aims are directed to expansion first, at the expense of the smaller States in Europe ; second, and with especial emphasis, at the expense of the Soviet Union ; third, to strike down the military power of France ; and last, to win world hegemony from Britain (after in the initial stages paying court to Britain in order to isolate Britain from France and from the general system of European collective security).

These aims are further set out with additional clearness in the subsidiary writings of the German Nazi rulers, as well as in the programme statements. In the official programme commentary the original theorist of German "National Socialism," Feder, set out the aim :

"All people of German blood, whether they live under Danish, Polish, Czech, Italian or French rule, must be united in the German Reich.... We will not renounce a single German in Sudeten, in Alsace-Lorraine, in Poland, in the League of Nations colony Austria, or in the succession States of old Austria."

(Gottfried Feder, *Das Programm der N.S.D.A.P.* p. 42)

Similarly the Nazi *Political ABC* declares :

"The Third Empire is to be a future Christian-German Empire, which will be the successor of the German Empire of the Middle Ages and of the Imperial Empire of Bismarck, and which is to bring about the unification of all Germans living in Central Europe."

(*National-Socialist Political ABC*, p. 26)

The aims are set out with further completeness in the writings of the Nazi foreign "expert" Alfred Rosenberg, Director of the Foreign Affairs Bureau of the Nazi Party, especially in his *Der Mythos des Zwanzigsten Jahrhunderts* ("The Gospel of the Twentieth Century") and *Der Zukunftsweg einer deutschen Aussenpolitik* ("The Future Path of a German Foreign Policy"). Rosenberg writes :

"Racial honour demands territory and enough of it.... In such a struggle there can be no consideration for worthless Poles, Czechs, etc. Ground must be cleared for German peasants."

(Alfred Rosenberg, *Der Mythos des 20. Jahrhunderts*)

And again :

"A Nordic Europe is the solution of the future, together with a German *Mittleuropa*. Germany as a racial and national State from Strassburg to Memel, from Eupen to Prague and Laibach, as the central Power of the Continent, as a guarantee for the south and south-east. The Scandinavian States and Finland as a second alliance to guarantee the north-east ; and Great Britain as a guarantee in the west and overseas necessary in the interest of the Nordic race."

(*Ibid.*, p. 602)

How does Nazi policy propose to realise these aims? The method is set out with extreme clearness, and involves: (1) division of the other Powers in Europe, utilising British support to paralyse France; (2) the organisation of subsidiary Nazi movements in all the States bordering on Germany, and utilisation of terrorist methods, including assassination, against political leaders opposing the Nazi aims (as already exemplified in the murders of Chancellor Dollfuss of Austria, King Alexander of Yugoslavia, Premier Duca of Rumania and the French Foreign Minister, Barthou, all active organisers of resistance to Nazi aggression and removed by Fascist gangs in close association with Berlin); (3) the preparation of war, to be launched as soon as the necessary process of rearmament is complete and the international situation is ripe. This policy requires as the indispensable condition of success the destruction of the existing system of collective security in Europe.

Towards the realisation of these aims the whole foreign policy is directed and has been continuously carried forward. This underlies the continual denunciations of the whole conception of collective security, the refusal of the Eastern Security Pact, the denunciation of the Franco-Soviet Pact, and the proclamation of the principle of the "localisation of war." Revealing in this respect was Hitler's speech of May 21st, 1935, which denounced the

"mania for collective co-operation, collective security, collective obligations and so forth,"

and proclaimed the alternative principle of localised war:

"Such a catastrophe can arise all the more easily when the possibility of localising smaller conflicts has been steadily diminished by an international network of inter-secting obligations, and the danger that numerous States will be dragged into the struggle becomes all the greater....

"It did not lie in their power to prevent inter-State conflicts, especially in the East. It was infinitely difficult in such a case to determine the guilty party... It would be more serviceable to the cause of peace if the other nations were to

withdraw at once from both parties at the outbreak of such a conflict rather than allow themselves to be involved by treaty from the outset....Germany to-day was a National Socialist State governed by an ideology diametrically opposed to that of Soviet Russia."

(Hitler, speech to the Reichstag, May 21st, 1935)

What this conception of the "localisation of war," thus propagated by German Fascism, means in practice is sufficiently clear. For the significant feature of the bilateral non-aggression pacts favoured by Hitler, as instanced in the German-Polish Pact and in the similar pacts offered to the other States on the eastern and southern borders of Germany, is that they include no clause to suspend their validity in the event of aggression by either signatory against a third party. In other words, these "non-aggression pacts," put forward by Nazi policy as the alternative to mutual guarantee pacts for Central and Eastern Europe, are by this principle not pacts for the maintenance of peace, but pacts to immobilise and paralyse collective defence against aggression and enable Nazi Germany to devour its victims one at a time. Concretely, if Germany were to attack Lithuania, or Austria, or Czecho-Slovakia, as the case might be, the other States should immediately, in Hitler's words, "withdraw at once from both parties at the outbreak of such a conflict," i.e. leave Nazi Germany and Lithuania to fight it out by themselves in a fair and equal contest. When one victim has been successfully devoured according to these principles, the Nazi dictatorship may then move on to the next, and so to Hungary, to Yugoslavia or Rumania according to the situation, and eventually to the West, or alternatively, after preliminary strengthening in Central Europe, to the promised crusade against the Soviet Union for the conquest of "new land and territory." This is the Fascist principle of the "localisation of war."

The Hitler "Peace Plan" of March 31st, 1936, put forward after the denunciation of Locarno, has fully carried forward these principles. By the text of this proposal security guarantees were offered in the West, only to be refused in the South and in the East. In

other words, non-aggression pacts were recognised as suitable enough for Britain and France; but non-aggression pacts were regarded as eminently suitable for Austria, Czecho-Slovakia or Lithuania. Why the distinction? If non-aggression pacts are regarded as a sufficient guarantee of peace for Southern and Eastern Europeans, what need of special guarantees of mutual assistance in the West? If, on the contrary, all promises of peace and non-aggression in the West are regarded as empty paper unless backed by binding obligations of mutual assistance, why does the same logic lose its validity east of the Rhine? There is no escaping the conclusion to which this plan clearly pointed. The binding guarantees in the West are necessary at the present stage of Nazi policy in order to paralyse France from coming to the aid of the other nations in Europe or fulfilling the France-Soviet Pact; the bilateral non-aggression pacts are advocated in the South and the East in order to immobilise these States from any common defence, while the Nazi dictatorship may strike down each victim at leisure. The plan thus revealed itself in fact as unmistakably a strategic General Staff plan for future war, dressed up for external consumption, and especially for the benefit of the British public, as a "peace plan" (and unfortunately accepted as such by many sections in Britain, not only by the openly pro-Fascist elements, but also by some pacifist elements still blind to the realities of the present situation in Europe).

Guarantees in the West in order to obtain a free hand in Central and Eastern Europe—this has been the continuous line of German foreign policy in the present stage (although this does not exclude the possibility of a sudden attack in the West). The British line of supporting a Western Pact in the name of "peace," while refusing any commitments of collective security in Central or Eastern Europe, has only assisted this policy of open preparation of war for expansion.

No less clearly towards these aims the whole strategic policy of Nazi Germany is being directed. The aims of aggression and expansion, so clearly

expressed in Hitler's *Mein Kampf*, are no empty dreams in the air, but are being backed up by the most powerful and far-reaching process of heavy rearmament and military preparation the world has yet seen. From the advent to power of the Nazi regime the whole internal organisation of Germany has been directed to the preparation of war on a scale unparalleled by any other State. According to Churchill's estimate, already quoted, the total expenditure of Nazi Germany on rearmament in three years since the accession of Hitler to power has amounted to 1,500,000,000 pounds. This expenditure in turn creates heavy economic problems and thus hastens the drive to eventual war.

The question may well be asked why, in the face of these open expansionist aims and war-preparations of Nazi Germany, the other States of Europe should not have banded themselves together to maintain collective security over Europe as a whole, offering Germany the possibility of entering into such a union of collective security, or alternatively, in the event of refusal, combining such a front of resistance as would have made successful aggression impossible.

The answer lies in two conflicting factors, which hinder such a front: first, in the contradictions of the other imperialist Powers in Europe; and second, in the class-interests of the dominant sections of the possessing classes in other countries, who tend to look on the Nazi regime, and even on its excesses, with a benevolent eye as the representative of their principle against socialism.

The line of class-unity with Hitler has been most consciously and continuously expressed by the veteran statesman of Western imperialism, Lloyd George. Already in 1933 he gave the line:

"If the Powers succeed in overthrowing Nazism in Germany, what would follow? Not a Conservative, Socialist or Liberal regime, but extreme Communism. Surely that could not be their objective. A Communist Germany would be infinitely more formidable than a Communist Russia. The Germans

would know how to run their Communism effectively.... He would entreat the Government to proceed cautiously."

(Lloyd George, speech at Barmouth,
September 22nd, 1933)

And again in 1934 :

"In a very short time, perhaps in a year or two, the Conservative elements in this country will be looking to Germany as the bulwark against Communism in Europe. She is planted right in the centre of Europe, and if her defence breaks down against the Communists—only two or three years ago a very distinguished German statesman said to me : 'I am not afraid of Nazism, but of Communism'—and if Germany seized by the Communists, Europe will follow ; because the German could make a better job of it than any other country. Do not let us be in a hurry to condemn Germany. We shall be welcoming Germany as our friend."

(Lloyd George in the House of Commons.
November 28th, 1934)

This openly reactionary type of appeal is repeatedly used by Hitler to win support in other countries for his aggressive aims, and to blind bourgeois opinion in the other countries to the direct menace to their own interests.

Even in France, which is directly menaced by Hitler, the reactionary Fascist and pro-Fascist sections of the bourgeoisie have openly supported Hitler, not only in opposition to the interests of the French people or of French security, but also in opposition to the interests of French imperialist power in Europe, class considerations proving stronger at this stage than the traditional line of a Clemenceau or a Poincaré. These elements, represented by Laval, Tardieu, Colonel de la Roque, etc., have advocated French co-operation with Hitler, leaving him a free hand in Eastern Europe, even at the expense of sacrificing France's

allies in Europe. The Comite des Forges, the most powerful element of French finance-capital and the main backer of Fascism in France, has continuously supplied the iron ore of Lorraine to Hitler which has made possible his rearmament. As against this line, however, the present dominant forces of the General Staff have recognised that this course of co-operation with Nazi aggression would be suicidal and lead the way to the ultimate annihilation of French power and domination of Europe by Hitler, and consequently at present, though with divisions, support the line of the Franco-Soviet Pact. The whole issue is bound up with the inner social-political conflict in France ; and only the strength of the People's Front, overwhelmingly reaffirmed in the elections of May 1936, has so far defeated the campaign of the reactionary sections of the French bourgeoisie to wreck the Franco-Soviet Pact.

In Britain this class-support of Hitler has been still more marked. The City has been openly pro-Hitler, and is financially tied up with his regime. The Bank of England has assisted to finance German rearmament (see the series of articles of the *Financial News* of May 15th, 1935, on "Finance of Germany's Re-armament"); Vickers has actively assisted to rearm Germany (see the answer of the chairman, Sir, Herbert Lawrence, at the annual meeting in March 1934 to the query of a shareholder whether the company was not engaged in assisting to rearm Germany: "I cannot give you an assurance in definite terms; but I can tell you that nothing is done without the sanction and approval of our own Government"). The relations of Montagu Norman and Schacht have been continuously close.

This British support of Hitler and of German rearmament has been governed by general considerations of British foreign policy. Continuously since Versailles Britain has given general support to the restoration of German Power in order to counterbalance French power in Europe; and has sought at the same time to draw Germany into a Western orientation in opposition to the Soviet Union. The advent of Hitler to power was seen as the opportunity to press this line forward. The injustices

of Versailles were suddenly discovered, a little late in the day, after the situation had completely changed, by the main body of the British bourgeoisie. What had been sternly denied to parliamentary democratic Germany, which was weak, defenceless and sincerely wanting peace, was now poured out with eager hands to Nazi Germany, which was armed, aggressive and openly preparing war. The words of Lord Lothian expressed the dominant British line :

“Germany must be given a position appropriate to a nation which would normally be regarded as the most powerful single State in Europe.”

(Lord Lothian in the House of Lords,
May 1st, 1935)

These words were repeated with full approval in the editorial of *The Times* of May 3rd, 1935, on “British Foreign Policy,” as a correct expression of the British aim, with the addition that “the Versailles system has been tried, but it has not given Europe peace,” and with the further significant addition that, while Western European security should be covered by guarantees, existing conditions

“do not yet impose upon this country the obligation of interpreting literally the general terms of every article of the Covenant. No other country, it can safely be said, has the slightest intention of giving practical effect everywhere to, for instance, Article 10 and Article 16.”

(*The Times* editorial on “British Foreign Policy,”
May 3rd, 1935)

Thus not only Versailles and collective security were openly thrown overboard, but even the old line of the balance of power : Germany was to be recognised as the predominant Power in Europe in alliance with Britain, and given a free hand in Central and Eastern Europe.

In this way, by the division of the other imperialist Powers, and by the support of powerful

sections of the ruling class of the countries, and especially by British support, Nazi Germany since 1933, despite its initial weakness, and despite its openly aggressive aims, has been able to advance stage by stage with its enlarging offensive, and to achieve success after success, each stage prepping the way for the next and increasing the menace of war.

The first stage was the beginning of the process of rearmament in 1933 and the throwing over of the League of Nations. As soon as the Nazi Regime was established, the British Prime Minister hastened to Geneva to call for "justice for Germany," and to propose the doubling of the German Army and the cutting down of the French Army (the British "Disarmament" Plan), and then proceeded to Rome to draw up in unity with Mussolini the project for the Four-Power Pact or *bloc* of Western imperialism.

The second stage was the German-Polish Treaty of January 1934, preparing the ground for the offensive against the Soviet Union. The Polish Press has since contained numerous references to the plans for the joint spoliation of the Soviet Ukraine, further elaborated in the "hunting parties" General Goering in Poland.

The third stage was the attempted *coup* for the seizure of Austria by the murder of Dollfuss in July 1934, and the Nazi rising, organised from Germany. This attempt ended in failure, in face of the Italian opposition and mobilisation of troops. The character of this episode, following the murder-*coup* of Hitler against his own associates in the previous month, led to a temporary cooling of sentiment towards Nazi Germany also in British circles and signs of a change in British policy. The new orientation found expression in the support for the Soviet Union's entry into the League of Nations, and in the Anglo-French agreement of February 1935, which called for a general European settlement, including an Eastern Security Pact. The dominant forces of British Policy, however rapidly reasserted themselves, cold shouldered

the Eastern Pact, and proclaimed it dead as soon as Germany had refused it.

The fourth stage, after the Saar had been won by the plebiscite in the beginning of 1935, and after two years of rearmament had been completed, was the first open defiance to the Western Powers—the Military Law of March 1935, re-establishing conscription and throwing over the military shackles of Versailles. The reaction to this compelled a formal joint condemnation by Britain, France and Italy at the Stresa Conference in April 1935, reaffirmed in the League of Nations resolution at Geneva the same month condemning the unilateral violation of treaties. The Stresa Conference resolution repeated the line of the Anglo-French agreement of February; and it was reported in many quarters that a common front had thus been formed, the so-called "Stresa front" against any further Nazi aggression or violation of treaties. In fact, British policy rendered any conception of such a front illusory. Within ten days of the German open defiance by the Military Law of March the British Foreign Secretary, Simon, had journeyed to Berlin to meet Hitler in "the friendliest spirit" (in the words of the official *communiqué*); and in June followed the Anglo-German Naval agreement, equally in defiance of Versailles and of the Geneva resolution of April to which Britain had formally subscribed,

The fifth stage was the Anglo-German Naval agreement of June 1935 re-establishing the German Navy at 35 per cent of the strength of the British the strongest in the world, and giving Germany the right to equality with the British Empire in respect of submarines. In view of the war experience of the submarine menace, such an agreement was not explicable from the standpoint of British interest save on the assumption of an Anglo-German understanding ruling out any immediate menace to British interests, and with the object to establish German dominance in the Baltic and over the Baltic countries.

/ The sixth stage was the denunciation of Locarno in March 1936, and the remilitarisation of the

Rhineland. This blow completed the destruction of the previous limits on German power, and prepared the way, once the fortification of the Rhineland could be carried through, for a further war offensive, either in the West, in Central Europe or in the East, according to the situation. In the negotiations that followed in London in the spring of 1936 Britain acted openly as the protagonist of Nazi Germany, in opposition to France (whose representative at one point threatened to leave the conference), and advocating acceptance of the German proposal for a new Western Pact, while accepting no commitments for security outside Western Europe. On this basis Britain was prepared to offer military guarantees, backed by staff conversations, to France and Belgium in the West, while leaving the road open to war in the rest of Europe. The subsequent Hitler "Peace Plan," put forward on March 31st, 1936, carried forward, as already analysed, the preparations for war in accordance with the general line of the Nazi offensive, proposing guarantees for peace only in Western Europe. This plan was received with a warm welcome in all British official and semi-official expression; while the alternative French plan, put forward in April 1936 for establishing binding obligations for the collective maintenance of peace throughout Europe as a whole was dismissed with small attention. The Anglo-German conversations which followed served to gain time for the completion of the process of remilitarisation of the Rhineland and the beginnings of preparations for fortification.

These six stages have thus seen the continuously enlarging advance of the Nazi offensive to ever closer readiness for war. Where will the next blow fall? This question overhangs Europe at the present time. The expectation has been widely expressed that the next blow may fall in Austria or Czechoslovakia, through the form of an internal Nazi rising in the first place, with the possibility of subsequent direct intervention. But in fact no such immediate assumption of the next development is possible beforehand, owing to the extreme complication of the situation. It is known, through the semi-official revelations which have appeared in the Dutch Press, that the ultimate strategic

calculations of the Nazi offensive turn on three alternative plans : first, the Goering plan for the attack eastwards, in alliance with Poland, for the absorption of the Baltic border States and the conquest of Soviet Ukraine; second, the line of attack for the absorption of Austria, and, in alliance with Hungary, for the dismemberment or Czecho-Slovakia; while Poland and Japan attack the Soviet Union; and third, the western plan of attack through Holland and Belgium, for which the remilitarisation of the Rhineland has prepared the way, or, according to alternative reports, through Switzerland. But such a direct launching of war could only take place in a moment of extreme confusion of the international situation, when a general disintegration has been achieved of any common stand of the opposing forces, and when the degree of military preparation has given strong confidence of superiority. In the meantime the line of advance lies through the still pressing forward of rearmament, the strengthened organisation of the subsidiary Nazi movements in the neighbouring States, the attempt to disintegrate the system of collective security in Europe and the existing and regional pacts by winning over one State and another as allies, and the continued Anglo-German co-operation for financial and diplomatic support and for winning back the former German colonies. The question of the restoration of the German colonies is already openly in the forefront as the immediate next stage of German demand; and it is evident from official British statements (quoted in the last chapter) that the British Government is preparing the way for this. Such a restoration would mean the further strengthening of Nazi preparation for war.

The menace of the advancing Nazi offensive and of the Fascist revisionist offensive in general, has placed an ever sharper problem before the smaller States in Europe which are threatened with absorption or dismemberment. Increasing attempts have been made to organise regional pacts of the secondary and smaller States for collective defence against aggression. The first and oldest of these groupings, the Little Entente. Succession States—Czecho-Slovakia and Yugoslavia and Rumania, is faced with the revisionist ambitions of Germany, of Italy and of Hungary. Second, the

Balkan Pact of Mutual Guarantee, organised since the coming of Hitler to power, and finally signed in February 1934, combines Turkey, Greece, Yugoslavia and Rumania against Italian and German ambitions in the Balkans. Third, the Baltic Pact of Esthonia, Latvia and Lithuania was signed in September 1934. Fourth, the Scandinavian countries have drawn closer together for a concerted foreign policy. Finally, the so-called "neutral States" group in the League of Nations, consisting of Spain, Holland, Switzerland, and the Scandinavian States, has sought to develop a common policy in relation to the question of collective security through the League of Nations.

But counter-tendencies of penetration by the Fascist revisionist offensive and individual capitulation of particular States also visible. Fascist Hungary and Bulgaria are directly united with the Fascist revisionist offensive. Fascist Poland is allied with Nazi Germany by the German-Polish Treaty since 1934, although still maintaining the Franco-Polish Treaty. The Fascist regime in Finland is closely associated with Nazi Germany. Nazi policy seeks to disintegrate the Little Entente by winning over Yugoslavia, and in Rumania the pro-Nazi "Iron Guard," which already murdered the Prime Minister Duca, fights to win control and overthrow the existing line. In Denmark the strength of Nazi influence was shown by the fact that Denmark was the one State which abstained from voting for the League of Nations resolution of April 1935, condemning the Nazi violation of treaties. In Sweden, dominated by British influence, Conservative circles are strongly pro-Nazi, and the Swedish Press has openly spoken of the prospect of Sweden aligning itself with the "British-German-Polish bloc." In Belgium, where British influence is also strong, similar tendencies have appeared on the part of the Van Zeeland Government.

The survey of the present situation in Europe, and of the prospects of the extending Nazi offensive, brings out evermore sharply the crucial role of British foreign policy. Up to the present the decisive factor in making possible the success of the Nazi offensive has been the role of British policy as led by the National Government. This influence has also underlain the hesitation and

capitulations of individual smaller States. If Britain had taken, or were yet to take, a decisive stand, in unity with France and the Soviet Union and the smaller States desiring peace, for the collective maintenance of peace throughout Europe as a whole, the way would not only be barred to Nazi aggression, but the consequent balance of forces for peace would inevitably draw over the still-hesitating smaller States, and also eventually Poland (where there is sharp division of policy) to the stronger grouping for peace, and would thus finally compel Germany to enter into a system of collective security. But, up to the present, British policy has consistently tipped the balance the other way at every critical point, has assisted the advance of the Nazi offensive, and has thereby led to the demoralisation and weakening of the resistance of the smaller States and the acceleration of the advance to war.

This dominant line of the British National Government, however, has aroused sharp opposition, not only from the mass of the population, who have no love for Nazi Germany, and from all the more clear-seeing supporters of peace, but also from elements within the ruling class, including among the Conservatives, who have recognised the eventual menace to British interests from a Nazi domination of Europe and have consequently advocated the line of collective security for Europe as a whole. Thus a division has developed between the camp which supports the Fascist drive to war, and the camp (of extremely varied elements) which, for whatever reasons, supports the line of collective security. This struggle over the future of British foreign policy is still in progress; and in Britain, as in France, the mass movement, if a united working-class front is achieved and an effective rallying of the popular forces against the policy of support of Hitler and of war, can play a decisive role in determining its outcome. The outcome of this struggle will have far-reaching effects on the situation in Europe and the world.

CHAPTER VIII

THE SOVIET UNION AND THE WORLD

"The Soviet Government was not in the ordinary sense a national Government at all. It was not a Russian Government in the sense that the French Government was French or the German Government German. The French and the German Governments, like our own Government, existed to promote the interests of their own countries and did not care about the interest of other countries, except in so far as those interests affected their own."

Viscount Grey in the House of Lords, March 3rd, 1927.

SINCE 1917 the world has developed in two halves—the socialist world and the capitalist world. Step by step this contrast has unfolded itself during these nineteen years. Alongside the gathering crisis and conflict of the capitalist world, the socialist world has advanced from strength to strength. To-day this contrast strikes the attention of all. The issue of socialism or capitalism ultimately dominates every other issue in the world.

This division of the modern world into a socialist section and a capitalist section is a new situation in world politics. It is a peculiar transition stage, consequent on the victory of the socialist revolution in Russia and its defeat in the other countries during the critical years at the end of the world war. This transition stage raises new and peculiar problems of the relationship of the capitalist world and the socialist world, pending the advance of the other countries to socialism and the realisation of the world socialist order. Imperialism looks with no friendly eye on the victory of socialism has made repeated attempts in the past to overthrow it by violence, and is likely to resume those attempts in the future. The Soviet Union, in unity with the international working class, has defeated those attacks in the past, and is now stronger than ever to defeat them in the

future. While resisting every attack, the Soviet Union strives for peaceful relations with the capitalist world, since every year gained for peace strengthens socialism and the advance of the international working class, while the ultimate issue of world socialism can only be decided by the peoples themselves in all countries. In the meantime the Soviet Union remains the fortress of world socialism, the living example of socialist achievement and brotherhood to the working masses of all countries, and the leader of the fight for peace.

In the present survey no attempt can be made to examine the achievements of the new civilisation which is growing up in the Soviet Union; this would require a separate book. We are here concerned only with the world political problems arising from the division of the world into a capitalist and a socialist section, from the victory of socialism in the Soviet Union, and from the relations of imperialism and the Soviet Union.

1. The Victory of Socialism in the Soviet Union

The establishment of the Soviet regime represented the victory for the first time in history of a new principle (presaged by the short-lived Paris Commune half a century earlier)—the rule of the working masses, led by the industrial working class, on the basis of the common ownership of the means of production, replacing the previous rule of a minority owning class, on the basis of the class ownership of the means of production and the exploitation of the working masses. This transformation was achieved by the working-class conquest of power, led by the workers' party, or Bolshevik Party (now Communist Party), in November 1917. The Soviets, or mass organs of the workers, soldiers and peasants, after developing first as the organs of the struggle for power, then became the organs of the new power, and remain its foundation to-day. From this transformation of the basis of class power all else has followed, and the subsequent victories of socialist construction have been made possible.

The first task of the new Soviet regime was to establish and maintain its power against its enemies within and without. The second task was to lay the foundations of socialist economy, in order to prepare the way for the future classless society.

From the outset the relations of imperialism to the new Soviet power were marked by unconcealed hostility. All the forces of imperialism, German, British, French, American and Japanese, launched their armed offensive against the new regime. Every effort was made to overthrow it by armed violence, by invading expeditions, by blockade, by subsidising counter-revolutionary and bandit forces, and by the organisation of terrorism, assassinations, forgeries and sabotage. During this period the aim of the armed overthrow of Bolshevism was openly proclaimed. Kolchak, Denikin, Yudenitch and a host of others were supplied with Allied money, material and munitions. Military expeditions invaded Russian territory from every side. Elaborate plans of strategy worked out. British imperialism alone, according to a subsequent statement of Lloyd George, spent £100,000,000 in the effort to overthrow the Bolshevik rule. *The Times* declared :

“We must support much more energetically than we have done the various armies in Russia which are fighting for the rights of her people.... This is a fairly full programme, and if we carry it out with vigour, it will, by preventing the expansion of Bolshevism, bring about its fall.”

(*The Times*, March, 20th, 1919)

These early hopes of imperialism were destined to be disappointed. Through prolonged and desperate struggles, in the face of the heavy material superiority of the imperialist and counter-revolutionary forces, their assaults were nevertheless defeated by the resistance of the Russian workers and peasants in unity with the international working class (see Chapter III, pages 61-2). This victory was due to the revolutionary heroism and devotion of the Russian masses, fighting to maintain their own land and rule against the return

of the hated exploiters; to the divisions of the imperialist Powers; to the corruption and incompetence of the White officers; and to the rising revolutionary advance in all the imperialist countries which paralysed the plans of imperialism, the class-conscious workers of all countries fighting in conscious unity with the Russian Revolution. As Lenin declared in 1921 :

“Only because the revolution in developing throughout the world is the international bourgeoisie unable to strangle us, although it is a hundred times stronger than we are economically and from a military standpoint.”

By 1921 the main forces of the imperialist and the counter-revolutionaries had been defeated, and the Soviet Republic was unchallenged master of its territories.

The first round of the battle between capitalism and socialism in the sphere of armed warfare, had ended in the victory of the socialist forces. The Soviet power had been maintained. But the struggle now advanced to the economic ground, to the task of building the foundations of socialist economy. This struggle was, to be in its own ground no less exacting than the civil war. To the barbarically low level of economy of the country as a whole, inherited from the corrupt Tsarist autocracy, to the dirt, disease, illiteracy and starvation of Old Russia, with undeveloped resources and dependent on foreign industrial countries, seven years of war, civil war and blockade had added wholesale destruction and privation on every side. This was the inheritance which the task of socialist construction had now to take in hand, faced with a ring of hostile capitalist States, with centuries of advance in development behind them, and placing a thousand economic and financial obstacles, as well as threats of renewed war, in the path of the new world. It is against this background that the achievement of socialist construction in the following decade must be measured in order to realise its full significance in world history

The first step of socialist construction was the replacement of the temporary expedients of the so-called “war communism,” or system of requisitioning and

rationing imposed by the necessities of the civil wars and interventionist wars, by the New Economic Policy of 1921 (already foreshadowed by Lenin in 1918 as the next step forward, but interrupted by the civil wars and interventionist wars). The New Economic Policy was widely misunderstood by the capitalist world at the time as a retreat: In fact it laid the basis for the subsequent advance of the Five Year Plan. The strategy of the New Economic policy, as the first step in building up socialism in a country of primitive agriculture and undeveloped industry, was to concentrate the heights of economic power in the hands of the workers' State, that is, banking, large-scale industry, transport, foreign trade, the strategic points of internal trade, and the general control of economy, while leaving freedom of private trading in the still numerically preponderant sphere of small-scale economy, which could only be invaded step by step by the new collective organisation. Thus at the outset the State and co-operative sector or collectivised sector was numerically in a minority, compared to the private sector. But the proportion of the State or collectivised sector advanced, until the conditions were finally ripe for the launching of the first Five Year Plan or the development of large-scale collective industry and the collectivisation of agriculture,

During this period imperialism, having been defeated in its attempts to overthrow the Soviet regime by armed force, turned its calculations to hopes of the economic collapse of the new regime, to its supposed inevitable surrender to capitalism, and to plans for economic penetration. The offers of industrial "concession" to foreign capitalists, in order to secure their assistance in developing the country (although very little materialised from this) helped to encourage these hopes. The new strategy was proclaimed with engaging candour by the British Chancellor of the Exchequer, Sir Robert Horne, in October 1921 :

"The best way to break down Bolshevism in Russia was to penetrate that country with honest commercial methods."

The same strategy governed the attempt of the Genoa Conference in 1922. The British Ambassador

in Berlin, Lord d'Abernon, well known as a leading financial authority, noted down in his diary in May 1922 :

“Russia is entirely ruined, and no trade of considerable moment can be carried on for a good many years to come.”

(Lord D'Abernon's diary, May 17th, 1922 :
An Ambassador of Peace, p. 317)

The British Conservative leader, Baldwin, developed the plan in October 1924 to exploit the Soviet market through Germany, and thus secure the ultimate payments of reparations and war debts from the Russian workers and peasants :

“In my view the best thing for world trade, of which we should get our share, would be the development of Russia's trade by Germany—that she should turn into that market and return to that country that surplus of exports which has to provide for the payment of reparations and incidentally some of our interest to America.”

(Stanley Baldwin, speech at Newcastle,
Morning Post, October 20th, 1924)

The view of the collapse of socialism in Russia and inevitable return to capitalism was still widely spread in capitalist circles in 1924 :

“The existing system cannot be maintained. Soviet Russia, whatever may be its nominal system of government a few years hence, is bound to become a capitalist State.”

(J.L. Garvin, in *The Observer*, December 28th, 1924)

These hopes of imperialism were also doomed to disappointment. By 1927 the *Economist*, Russian Supplement, had to record the discouraging conclusion :

“After nine years the original Soviet system of nationalised industry and trade remains almost

intact. Departures from nationalisation have been, though fairly numerous, relatively unimportant. Nothing like a weakening of principle on the nationalisation question has taken place. The retreats before capitalism which seem very considerable to foreigners appear to be very small within Russia. The predominance of the State in big industry is very great."

*(The Economist, Russian Supplement,
March 19th, 1927.)*

The figures which this Russian Supplement of the leading City organ had to record bore out the picture. In 1926—1927 the number of workers in State undertakings in large-scale industry was 2,685,00, against 63,000 for private capital; only in small-scale industry private enterprise still had 240,000 against 30,000 for the state and 150,000 for the co-operatives. The export trade was wholly in the hands of the State and co-operatives. Even of domestic trading, 34 per cent was in the hands of the State, 42 per cent in the hands of the co-operatives, and only 23 per cent in the hands of the private traders (as against 40 per cent in 1923—1924).

Thus the conditions were ripe for the next stage in 1938, the development of large-scale industrialisation in the hands of the worker's state, and the collectivisation of agriculture, that is, the final destruction of the backwardness of the country, and of the roots of commodity economy and capitalism. This was the task of the first Five Year Plan, begun in the end of 1928, and completed in four and a quarter years by the end of 1932. It was now that the headlong advance of the socialist construction began to startle the world.

The results of the first Five Year Plan brought the Soviet Union from the situation of a still technically backward country to the position of the first industrial country in Europe and the second industrial country in the world. By the beginning of 1933 Stalin was able to report that Soviet industrial production in 1932 was three times the level of

pre-war Russia and double the level of 1928, while in the same year American industrial production was 84 per cent of pre-war and 56 per cent of 1928, British 75 per cent of pre-war and 80 per cent of 1928, and German 62 per cent of pre-war and 55 per cent of 1928. A new heavy industry had been brought into being with the steel works of Magnitogorsk, the new Ruhr of Ural Kuznetzk, the electric power station of Dneprostroi, the tractor works of Stalingrad and Kharkov, the automobile works of Gorky, and the chemical works of Bobriki-Beresniki, these giants leading the way in a host of similar undertaking. The proportion of industry in the total national income had risen from 24 per cent in 1913 to 45 per cent in 1932. The proportion of the socialised sector in the total output of industry had risen to 99 per cent. Even more important in its ultimate significance was the collectivisation of three-fourths of agriculture, replacing the primitive small-scale peasant economy by a large-scale collective agricultural economy of a type unknown in the capitalist world; 200,000 collective farms and 5,000 State farms were organised. The sown area was increased by 21 million hectares. The share of the socialised sector in the total output of agriculture had risen from 3 per cent in 1928 to 75 per cent in 1932. The total national income was doubled. The share of the socialised sector in the total national output rose from 44 per cent in 1928 to 93 per cent in 1932. Cultural development went parallel to this. Wages increased 67 per cent. The social insurance fund was trebled. In place of Tsarist illiteracy, by 1932 97 per cent of adults could read and write, 21 million children were in primary and secondary schools, and over 1 million students in universities and technical high schools. This issue of daily newspapers rose from 2·7 millions in 1913 and 8·8 millions in 1928 to 36 millions in 1933. The number of medical aid stations rose from 1,942 in 1928 to 5,430 in 1932; the number of doctors from 19,000 in 1913 to 76,000 in 1932.

The capitalist world was compelled to recognise this achievement, without parallel in history. The *Westminster Bank Review* : recorded in 1933 :

“Soviet Russia has made a striking advance, and on the basis of the official figures now ranks

as the second industrial nation. . . . Most striking and probably also most significant of all is apparently the success with which the Soviet Russian Republics have "insulated" themselves from the creeping paralysis of world trade to-day, and in accordance with the policy of industrial reconstruction embodied in the Five Year Plan claim to have nearly doubled Russia's industrial out put in that period."

(Westminster Bank Review, May 1933)

The bankers' journal went on to record the changed relative share in world industrial output :

Percentage of World Industrial Output

	1928	1932
United States	44.8	34.5
U. S. S. R.	4.7	14.9
United Kingdom	9.3	11.2
Germany	11.6	8.9
France	7.0	7.0
Japan	2.4	3.7

In the face of this transformation in the relation of forces imperialism began to change its tune. The old propaganda of the collapse of Russian economy under socialist rule and of the inevitable return to capitalism disappeared. In its place appeared a new propaganda of the "menace" of socialist economy as immeasurably superior to capitalist and beyond the power of capitalism to meet in competition. Pictures were conjured up of a prospective vast "dumping" of Soviet industrial goods produced by "slave-labour." A *Times* editorial in 1931 quoted a "leading authority" in the business world as saying :

"If the rest of the world does not want communism, it should refuse, by agreement, to trade with Russia in any way, because in a few years' time, when all the factories now being built up are fully working, with the country's vast internal resources and the energy of 150,000,000 people to draw upon, they will not only provide all that the Russian

people want, but will swamp the world with cheap goods with which other industrial nations cannot compete."

(*The Times*, January 29th, 1931)

The editorial continued :

"If Russia....is able to go on industrialising herself at her present pace, other countries will only be able to compete by organising their production and commerce on something like the scale on which Russia is organising hers."

The British Prime Minister, Baldwin, declared in a reply through his secretary to a manufacturing association's complaint :

"Mr. Baldwin shares your apprehension with regard to the effect of Russian competition on the industries of this country. In his view that country is a great potential danger to the economic development of Great Britain.

He feels that the menace of competition from Russia, supported as it is largely by forced labour, must be over-come. The dumping of Russian goods has not yet reached the proportions that it will assume when the Five Year Plan manifests its full effect. Mr. Baldwin made it clear when speaking at Newton Abbot that before that time arrived it would be necessary to take action. He would propose to deal with the problem by means of a tariff, or, if necessary, by the prohibition of Russian imports, even if that meant the denunciation of the existing treaty."

(*The Times*, March 20th, 1931)

The view of "dumping" and "forced labour" was not shared by expert opinion, as voiced by the Argentine delegate to the World Wheat Conference in 1931, who attributed the menace to an "economic revolutionary regime" which had unified production and "eliminated the middleman":

"He doubted whether it could be fairly claimed that the Soviet Republics were practising dumping

or even that the cheapness of Russian products was due to forced labour. He himself was of the opinion that it was the result of an economic revolutionary regime imposed by the Soviet Government, which had eliminated the middleman and was alone responsible for the planting, cultivation, harvesting, transport and sale of agricultural products."

(Dr. Perez, Argentine delegate to the World
Wheat Conference at Rome, *The Times*,
March 28th, 1931)

Thus no longer socialist inefficiency, but socialist efficiency became henceforth the burden of capitalist complaint. The first premise of every capitalist argument became the invincible superiority of socialist production. From this they inferred the necessity of smashing it. Anti-Soviet propaganda and open incitements to war now began to become increasingly prominent in all reactionary capitalist expression.

The line of argument is worth pursuing, in view of its basic significance for the whole future. The mythical character of the argument in relation to the real facts—i.e. the still minute proportion of Soviet exports to world exports, and the fairy tales of "forced labour"—is less important than the underlying approach. For what was this alleged threatening competition of which the capitalist propagandists began since the Five Year Plan to express such fear? What could make it so dangerous, coming from a country with the handicap of a long-arrested backward development? The menace, it was commonly explained, arose because here was a new phenomenon of an enormous State economic organisation embracing one hundred and sixty million people. Yet all the authorities of capitalism had taught from a thousand platforms and in a thousand textbooks that any State economic organisation is bound to be utterly incompetent, inefficient, wasteful, unproductive, and in every way unfit to compete with private enterprise. How then could they fear its competition? But the further explanation was offered: the competition is

menacing because this State organisation is able to use "slave labour," while the capitalists have to pay for wage-labour and cannot compete. The argument is here based on the failure to distinguish between the real slavery of one class to another in the "free labour" of capitalist society, and the collective discipline of a classless society, in which the workers are the owners and rulers. But even admitting the premise, what would follow? The menace of the competition is stated to arise because of "slave-labour." Yet it is the commonplace of every economic textbook, and this time not in imaginary theory, but based on experience, that slave-labour is the most costly, wasteful, inefficient form of labour and invariably breaks down when brought into competition with wage-labour.

In truth, the victory of socialism in the Soviet Union dealt capitalism a heavy blow, neither by the fictitious "dumping," nor by the equally fictitious "forced labour," but by the demonstration of capitalist bankruptcy and of the superiority of the socialist organisation of production. The ideologists of the capitalist world were placed in a quandary. Either they would have had to abandon all their propaganda against socialism, and to admit that the Soviet economic organisation is a more scientific, efficient organisation, i.e. that the form of labour, so far from being "slave-labour," is an obviously higher form of labour (witness the Stakhanov movement), as easily outstripping wage-labour as wage-labour outstrips slave-labour, or they would have had to abandon their propaganda of the "economic menace" of the new form of organisation. But in fact they wished to have it both ways. They endeavoured at once to insist on the utterly inefficient and slave character of the form of organisation, and at the same time to insist on the invincible menace of its competition to capitalist industry. The very fact that they thus sought to use both argument at once revealed that these were only the propagandist covers for a deeper antagonism.

Deeper behind these specious propagandist arguments of "dumping," "slave-labour," "forced labour," etc., lay the real fear and growing sense of

capitalist decline in the face of the triumphant rise of socialism. The contrast of the world economic crisis of capitalism, with lowered production and mass unemployment, developing at the very same time as the Five Year Plan, with soaring production and the abolition of unemployment, struck the imagination of all. Once, imperialism had set up its *cordon sanitaire* against the spread of the Soviet regime. To-day a new type of pacific *cordon sanitaire* of the Soviet regime against the capitalist crisis was revealed, the magic circle of socialism, through which the raging economic crisis of the capitalist world could not pass, and within which was maintained a world of sanity, peace and construction in the midst of the howling anarchy, destruction and conflict of the capitalist world. This deepening sense of capitalist decline and socialist advance was expressed by the Economic Adviser of the Bank of England in 1931, when he declared that, unless some kind of "planned arrangement" could be achieved within capitalism,

"there could be nothing in the future for this country but a slow decline—or if one generalised for the individualistic Western World, a slow decline relative to the possibilities of the competing regime which was being developed in Russia."

(O. M. W. Sprague, Economic Adviser to the Bank of England, address to the English-Speaking Union, *The Times*, May 13th, 1931)

This contrast became all the more marked with the next stage of socialist advance—the stage of the second Five Year Plan of 1933–1937. During the first Five Year Plan the Soviet population had still to make conscious sacrifice of immediate benefit, and to exert heavy strain and effort, in order to build the foundations of heavy industry without capital, out of income, and to meet the difficulties of the first stages of agricultural collectivisation in the face of the resistance of the richer peasants. But with the second Five Year Plan the fruits of effort began to pour in, with rising abundance on every side. The foundations of heavy industry having been laid, it was now possible to hasten forward the development of light industry

and of production of consumption goods. The objectives of the second Plan include to double the production of producers' goods, and to increase the production of consumers' goods two-and one-third times, bringing the total output of large-scale industry to more than eight times pre-war; to double the gross output of agriculture, increasing grain supplies fifty per cent and meat supplies threefold: to double real wages, to treble expenditure on housing, and to increase expenditure on social services nearly fourfold. The Seventeenth Congress of the Communist Party of the Soviet Union defined the "fundamental political task" of the second Five Year Plan as:

"the final liquidation of the capitalist elements and of classes in general, the complete removal of the causes which produce class differences and exploitation, the overcoming of the remnants of capitalism in economy and in the minds of the people, the conversion of the whole of the population of the country into conscious and active builders of the classless socialist society."

With the successful advance of the second Five Year Plan, now in its fourth year, with the visible increase of abundance and the 'joy of life' (in the words of Stalin describing the latest stage in the Soviet Union and the significance of the Stakhanov movement), and with the emergence of such significant phenomena of the new life as the Stakhanov movement or development of technique, no longer merely by technical experts from above, but by the workers themselves in their work, the growing anxiety of the capitalist world over the triumph of socialism in the Soviet Union began to enter into a new phase, leaving behind the old bogies of "dumping" etc. With every year the relative weight of the socialist sector in the economic world-balance was increasing. With every year the contrast between the conditions of life for the masses in the socialist world and the capitalist world was becoming more marked and was exerting its influence in all countries. With the development of heavy industry the socialist world had become economically independent of the capitalist world. With a few more years development it would become fully impregnable in a military sense and too strong

for the weakened capitalist world to attempt to attack. Thus the thought began to develop more and more urgently in the reactionary circles of all countries in the capitalist world, and increasingly under the influence of the economic crisis and subsequent depression, that only one weapon was left, to return to the direct attack which had been defeated in the early interventionist wars, and to launch, this time with a more concerted strategy, the military offensive against the Soviet Union, while the superior forces were still on the side of imperialism. Nazi Germany on the one side, and Fascist-militarist Japan on the other, provided the weapons and the means. This was the new strategy to which powerful sections of imperialism, especially in Britain, began increasingly to turn.

2. The Fascist Imperialist Crusade Against the Soviet Union

The aim of war against the Soviet Union for its destruction was never abandoned by the reactionary elements of imperialism since the defeat of the interventionist wars. This was not only a question of White Guard circles and their influential backers in London, Paris, Berlin, New York or Tokio, of the openly chauvinist and jingo elements like the Rothermeres and Hearsts, of military elements like the Fochs and Ludendorffs, or of directly interested elements of finance-capital like the Deterdings and Kreugers. Throughout, the same line appears and reappears in governmental expression, in the shape of appeals and diplomatic manoeuvres for a united imperialist front against the Soviet Union. The leadership of this hostility has throughout lain with the most powerful circles of British imperialism, the most conscious as a world power with extended world interests, with a deep-seated tradition of striking down every revolutionary movement in the world since the struggles against the French Revolution, the centre of world reaction, and now seeing as the basic issue of the post-war period the battle of imperialism against the world socialist revolution. This line has appeared again and again in British policy throughout the post-war period at critical

turning-points, not only in the most active leadership in the wars of intervention, but again in subsequent diplomatic moves, in the Curzon ultimatum of 1923, in the Zinoviev forgery of 1924, in the Locarno manœuvres of 1925, in the Arcos raid and rupture of 1927, in the Birkenhead Mission to Berlin in 1928, and in the renewed rupture over the trial of the engineers in 1932. Again and again Britain has sought to draw the Powers to a united imperialist front against the Soviet Union, only for the plans to break down against the contradictions of imperialist interests. In the most recent period, however, since 1934 a conflict of forces has arisen, owing to the increasing complication of the international situation, and the direct menace to British interests involved in the advance of Nazi Germany and Japan; but powerful forces are still pressing forward the line of support to these against the Soviet Union, and even seeing in this situation the most favourable opportunity in their view that has yet presented itself for launching the offensive.

At the present day the direct offensive against the Soviet Union, with open aims of war of aggression and expansion by partition of territory of the Soviet Union, is led by Nazi Germany and Japan. But this offensive has powerful backers in leading reactionary circles in the other imperialist countries, especially within the ruling forces of British imperialism. The diplomatic and strategic plans for a joint German-Polish-Japanese war of expansion against the Soviet Union, with British support in the background, have to-day reached a very advanced stage. This offensive constitutes the deepest underlying menace of major war in the world to-day. It is necessary to face the facts of this situation plainly, at the same time as taking into consideration the complications in the imperialist camp, as well as the strength of the peace forces, which may yet hinder it.

The central pivot of this offensive is the conception of a combined attack by Japan in the East, and by Nazi Germany, with Polish support, in the West, against the Soviet Union.

The Japanese aims of expansion in Eastern Asia, and calculations of inevitable future war against the Soviet Union, are well known and openly expressed by the dominant military party. These aims underlie the continuous refusal up to the present of the repeated Soviet offers of a non-aggression treaty between Japan and the Soviet Union. The Japanese objectives of territorial expansion at the expense of the Soviet Union, freely expressed in semi-official literature of the military elements, are directed to the Far Eastern Province, Soviet Sakhalin, Kamschatka, Outer Mongolia (in association with the Soviet Union), and—in the more ambitious projects—the whole of Eastern Siberia up to Lake Baikal, which Japanese troops already occupied in the years after the war and only abandoned after prolonged resistance. The extending Japanese war of aggression since 1931, which has established Japanese military control of Manchukuo, Jehol, Chahar and Inner Mongolia, has established the foundations for the offensive against Outer Mongolia and the Soviet Union, for which strategic preparations are being actively carried forward.

Nevertheless, Japan would hesitate to face the hazard of war against the Soviet Union without the backing of other imperialist Powers. In the first stages of the offensive, during the critical year 1932, Japan had the effective backing of Britain and France, and the Conservative Press of both countries openly encouraged Japan to go forward as the champion against Bolshevism in the Far East.¹ But the advent of Hitler to power in Germany transformed the international situation. France, in alarm before the Nazi menace, moved to closer relations with the Soviet Union. Japan, on the other hand, now found in Nazi Germany its predestined ally for the attack on the Soviet Union, in order

¹ Significant of this stage was the Papal Encyclical "Caritate Christi" of May 1932, which, in openly calling for a united front of all imperialist States to overthrow the "phalanx of atheistic communists," the "enemies of social order," by "all legitimate human means," made a specific addition to include Japan in this unity of "Christian" nations:

"The Pope accordingly calls upon all the nations to put aside all base egoism and to unite all their forces in a single

to divide the Soviet forces. The role of Nazi Germany thus became the critical role for the attack on the Soviet Union.

The plans of Nazi Germany for a war of expansion in Eastern Europe at the expense of the Soviet Union are as open and unconcealed as the Japanese plans in the Far East, and have been discussed in the last chapter. These aims constitute the pivot of Nazi foreign policy.

The conception of an ultimate inevitable war of imperialism, under British hegemony, against the Soviet Union, and the problem of Germany's role, have preoccupied German military and diplomatic opinion throughout the post-war period, and indeed constituted the undercurrent of the Locarno negotiations. One school saw the most favourable possibility for Germany to rebuild its power on the basis of the Anglo-Soviet antagonism. Another school saw danger in this path for Germany to become the cat's-paw of the Western imperialist interests and sought to manoeuvre between West and East. Already at the end of the war Ludendorff sought to offer a military alliance to Foch for a joint war on the Soviet Republic. The Rapallo Treaty in 1922 was carried by the Eastern school, led by Baron von Maltzahn, in the face of the extreme hesitation of the Chancellor, Wirth. 1923 Lord d'Abernon, the British Ambassador in Berlin, saw General Hoffmann, the "hero" of Brest-Litovsk, and recorded in his diary:

front against the battalions of evil, enemies of God no less than of mankind. *Although those who glory in the name of Christ should be the first in this union of minds and strength, let these likewise loyally aid who still believe in God and adore Him.* For the peril threatens all and aims at overthrowing the very foundations of all social order and all authority—which is faith in God. In this combat for religion and social peace all legitimate human means must be used."

The ingenuity of this bloodthirsty old man to find means to include Japanese imperialism in his "Christian" crusade for the overthrow of communism is only equalled by the parallel Nazi ingenuity in discovering that the Japanese are really "Aryans."

"All his opinions are governed by his general conception that nothing can go right in the world until the civilised Powers of the West come together and hang the Soviet Government.....Asked if he believed in the possibility of any unity between France, Germany and England to attack Russia, he replied: 'It is such a necessity, it must come.'"

(Lord d'Abernon, *An Ambassador of Peace*)

The same ultimate conception underlay Locarno. Lord d'Abernon, who as British Ambassador in Berlin was the principal architect of Locarno behind the scenes, gave subsequently his view of its real significance :

"Western civilisation was menaced by an external danger which, coming into being during the war, threatened a cataclysm equalled only by the fall of the Roman Empire The fundamental character of the change to be imposed by violence on the organisation of European civilisation was indeed such that it might have been anticipated that the Western nations would realise the petty nature of their own differences and compose them in order to combine against the common danger. But such an anticipation would not have taken into account that weakness in human nature which is always prone to exaggerate the near; the local and the national, to the exclusion of wider considerations....

"This fact reinforces the argument that in judging the Locarno policy attention must not be confined to the Rhine frontier and the traditional antagonism between Gaul and Teuton."

(Lord d'Abernon, *An Ambassador of Peace*, pp. 20-21)

This view was also openly expressed by the British Government Minister, Ormsby-Gore, at the time :

"The solidarity of Christian civilisation is necessary to stem the most sinister force that has arisen not only in our lifetime, but previously in European history.

“The struggle at Locarno as I see it was this : Is Germany to regard her future as bound up with the fate of the great Western Powers, or is she going to work with Russia for the destruction of Western civilisation ?

“The significance of Locarno is tremendous. It means that, so far as the present Government of Germany is concerned, it is detached from Russian and is throwing in its lot with the Western party.”

(Rt. Hon. W.C.A. Ormsby-Gore, speech at
Manchester, October 23rd, 1925)

These ultimate objectives of the Locarno policy broke down against the conflict of interests of British and French imperialism, and against the skilful manœuvring policy of Stresemann, who had no intention of allowing Germany to become the tool of Western imperialism, and who turned the subsequent Franco-German co-operation at Thoiry in 1926 to directions not intended by the British aims. Britain, after the rupture with the Soviet Union in 1927, sought to secure the support of Paris and Berlin in following the same line, but without success. Marshal Foch, in an interview to the *Sunday Referee* on August 21st, 1927, stated that he had proposed in 1919 by sufficient military support to the border States to destroy once and for all the “Bolshevik menace,” and that he was still of opinion that this should be the aim of united British-French action ; but the French Foreign Office refused to follow this line and instead entered on negotiations for a treaty of non-aggression with the Soviet Union (not concluded till 1932). The Birkenhead Mission to Berlin in 1928 for the same purpose was equally fruitless. According to the London correspondent of the semi-official *Vossische-Zeitung* in April 1928 :

“English Ministers have in the past months repeatedly taken soundings of German diplomats as to whether the German parliamentary majority would be ready, in return for the funding of the Dawes payments and final fixing of reparations, formally to break off all relations with Russia,

to denounce all treaties without delay, and to carry through an economic boycott, against Soviet Russia. During the boycott, Germany, France and England should form a Reconstruction Syndicate to support the bourgeois-democratic Russian Government which after the collapse of the Soviet Government would come to the helm."

The *Daily Telegraph* Berlin correspondent reported of the Birkenhead Mission in may 1928 :

"It is admitted that in his private conversations he repeatedly expressed the opinion that Germany would do wisely to make common cause with the Western Powers against Russia."

These overtures broke down against Stresemann's counter-demands for the return of colonies to Germany and for the right of rearmament as the price of support. Britain opposed the first, and France the second. In the latter part of 1928 the German Minister of Defence, General Groener, gave his view of the governing forces of the European situation and the military problem for Germany in a secret memorandum :

"The antagonism between England and Russia is notorious.. The fighting out of this antagonism is only a question of time ; and Germany runs the gravest danger of being drawn into the struggle."

(Secret memorandum of General Groener;
German Minister of Defence, published by
Wickham Steed in the *Review of Reviews*.
January-February 1929)

All these attempts of British imperialism in the post-war period to organise the united imperialist front against the Soviet Union and to utilise Germany as the weapon of the offensive broke down against the contradictions of imperialism in Europe, and still more against the contradictions of the internal situation in Germany. So long as the strength of the working class in Germany was unbroken, no German

Government could dare to use Germany as the tool of Western imperialism against the Soviet Union. Therefore the first task of imperialism, in order to carry through the offensive against Soviet Union, was to break the resistance of the working class in Germany. The battle between the working class and Fascism in Germany became the critical centre of the world situation. Only when, through the division of the working class and the Social-Democratic refusal of the united front, the Nazi dictatorship was able to establish its terror over the German masses, only then was the path cleared for the imperialist crusade against the Soviet Union, with the attempt to use the German people as its tool. The Nazis, who had been in close contact with leading sections of British Conservatism already before their accession to power, replaced the Stresemanns and Brunings, who had proved insufficiently pliant to the British demands, and addressed their foreign policy to play up to the aims of these sections of British imperialism.

The Nazi foreign policy has been examined in the previous chapter. In all its statements it was from the outset openly directed to hostility against the Soviet Union and to territorial expansion at the expense of the Soviet Union. Its essential line was to seek the alliance of Britain, playing up to British opposition to France and to anti-Soviet sentiments in Britain, on this basis to secure German rearmament, to paralyse France, to establish German domination in Central Europe, and, thus strengthened, to direct the attack eastwards for expansion at the expense of the Soviet Union and the border States, to strike down an isolated France, and only ultimately to advance to the full colonial demands against Britain.

The key to this policy was the British alliance on the one side, and the Eastern expansionist offensive on the other. As already seen in the previous chapter, British support was successfully secured to make possible German rearmament, and, by concentrating on Western European security, to leave Germany the "free hand" in Central and Eastern Europe.

But the Eastern expansionist offensive required the alliance of Poland, the deepest enemy of post-war

Germany in view of the long-standing conflicts over the Corridor and Upper Silesia, in order to make possible the offensive against the Soviet Union. This was the initial problem of Nazi policy for the realisation of such an objective. This problem was solved, or attempted to be solved (for there is still an inner conflict within Poland over its future alignment), by the German-Polish Treaty of 1934. On what basis had these two States come together in view of their profound contradictions? There could be only one basis, the common campaign against the Soviet Union. Informed Press correspondents from all countries reported that a plan had been reached, whether embodied as secret clauses in the German-Polish Treaty or as an accompanying understanding, for a joint German-Polish offensive against the Soviet Union, at the same time as Japan should launch war in the Far East, with the immediate aim of the partition of Soviet Ukraine. In 1934 an obviously inspired article in the *Fortnightly Review*, by L. Lawton, declared :

“Whereas formerly German statesmen looked both to the East and to the West, Hitler at present looks to the East only. Poland is also believed to harbour designs of Eastern expansion....In some quarters it is suspected that the pact of non-aggression recently concluded between Germany and Poland contains secret clauses defining the spheres of influence of the two signatories in Soviet Russia, with special reference to the Ukraine. No one who studies the map of Eastern Europe can doubt that there are immense possibilities of a German-Polish compromise at the expense of others. The idea of including Ukraine within the Western European system, and moving Russia on towards the East is certainly tempting...An independent or autonomous Ukraine is indispensable for European economic progress, and for world peace. Through Ukraine lies the shortest land route from the West to Persia and India....With Ukraine as part of a democratic federative system there would, it is hoped, come into existence a grouping of States with which Great Britain could be on friendly terms. The moment is long overdue for the creation of some such grouping in Eastern Europe.”

In February 1935 the Warsaw correspondent of the *Daily Mail*, in close touch with Polish ruling circles, reported :

“According to what is believed to be authentic information, plans are being discussed for a meeting between Herr Hitler and Marshal Pilsudski, the Dictator of Poland, at which they would discuss the possibility of a Polish-German military alliance, the provisions of which would include the separation of the Ukraine from Russia should war break out in the Far East.”

The Polish Press openly discussed these aims. In 1935 a book by Wladimir Studnicki, *Poland's Political Aims*, which was widely circulated, set out the full-scale programme for the projected amputation of the Soviet Union on the East, the South the West and declared :

“Poland has the strongest interest in a victory of Japan over Russia. Participation in a Russo-Japanese war would be possible if Poland were to ally itself with Germany with this in view. No attention need be paid to France which occupies to-day a secondary position. Poland and Germany could lay the foundations of a great Central European bloc.”

(WL. Studnicki, *Poland's Political Aims*, 1935)

The German Press was no less open in the proclamation of its aims ; and indeed every Government speech and Nazi broadcast was an open incitement against the Soviet Union. In November 1935 Schacht met Montagu Norman, the Governor of the Bank of England, and Tannery, the Governor of the Banque de France. The French journalist, “Pertinax” let out what Schacht informed the French representative in proposing Franco-German co-operation :

“We have no intention to change our Western frontiers. Sooner or later Germany and Poland will share the Ukraine, but for the moment we shall be satisfied with making our strength felt over the Baltic provinces.”

(Dr. Schacht, interview with the Governor of the Banque de France, reported by "Pertinax" in the *Écho de Paris*, November 3rd, 1935)

At the same time close political and military relations were established between Germany and Poland on the one side, and Japan on the other. In December 1933 the *Lokal Anzeiger*, proclaimed the line :

"Events in the Far East are exerting every day more and more influence on the position in Europe, although many European statesmen are unwilling to understand the real significance of these events....At the moment when Japan desires to obtain a solution which will commence in Vladivostok, but the aim of which is still uncertain, the movement of world history will also begin in Europe.

(Berlin *Lokal Anzeiger*. December 1st, 1933)

In January 1934 *The Times* reported from Berlin :

"For some time German military and official circles have taken the keenest interest in the activities of Japan and the development of the Far Eastern situation. The possibility of a trial of strength between Japan and Russia and the consequent diversion of Soviet interest from European affairs is of the greatest interest to Germany. Whatever the diplomatic intentions of Germany towards Japan may be, there has been in past months a good deal of so-called 'cultural contact' between the two countries. The attitude of Japan towards the League and the ambitious and energetic character of Japanese policy make a great appeal to exponents of National Socialism."

(*The Times*, January 25th, 1934)

In February 1935 the *Observer* described the relations between Germany, Poland and Japan in the following terms ;

"Why is Tokio diplomacy so busy at this moment in Warsaw and in Berlin ? Why has Berlin so far

refused the Eastern pact, as a year ago she refused the Baltic Pact? Moscow supplies the answer to both questions. The relations between Germany, Poland and Japan become closer every day. In an emergency they would amount to an anti-Russian alliance."

(*Observer*, February 17th, 1935)

On December 1st, 1935, a conference of Japanese military and naval attaches in Europe took place in Berlin, and later in the same month the French Press reported that a secret military convention between Germany and Japan had been initialled by von Ribbentrop and the Japanese military attache in Berlin. The meeting of General Goering and General Sawada, the Japanese military envoy, at Warsaw in February 1936, was reported to be further connected with these preparations.

The aims of the German-Polish-Japanese *bloc* were further directed to drawing in additional States of Central and Northern Europe against the Soviet Union. German influence was strongly established over Hungary and Finland, and to some extent in the Scandinavian countries. In September 1935 took place the Römön meeting in East Prussia of Germany, represented by Goering and von Ribbentrop; Hungary, represented by the Prime Minister, Goemboes; Poland, represented by General Fabrice and Prince Radziwiłł, the Chairman of the Parliamentary Foreign Affairs Committee; and Finland, represented by General Mannerheim. The aim was set, according to *The Times* Berlin correspondent, to reach

"a future German-Polish-Hungarian-Italian-Bulgarian—even possibly Rumanian—*bloc*....

"It seems to be feared in some conservative circles not only that air arrangement have been discussed, but also that naval and military ideas have been exchanged; and that Bulgaria, Finland (whose strategical position for naval operations is talked of) and even Rumania—since the Soviet-Rumanian *rapprochement* began to look like a false alarm—have

been drawn in. Even Japan is suspected of figuring in these dreams of the future."

(*The Times*, October 15th, 1935)

The same basic purpose governed von Ribbentrop's visit to Brussels in September 1935 : in a secret interview to the Belgian Prime Minister, Van Zeeland, he offered, according to the Press reports :

"If Belgium would guarantee not to take any action against Germany if Germany became involved in any struggle in Eastern Europe, Belgium need fear nothing from rearmed Germany."

Approaches were even made, though without success, to Turkey. In May 1934 the *Philadelphia Public Ledger* reported that Esmin Pasha, the chief of the Turkish Mission to Moscow in that month; and informed the Soviet authorities that in March the Japanese Foreign Minister had approached the Turkish representative in Tokio to state that war between Japan and the Soviet Union was certain in the future, and to suggest a secret Japanese-Turkish Treaty by which, in the event of a Soviet-Japanese war, Turkey would not oppose the passage of troops to invade Transcaucasia; and that, further, the Japanese Admiral Matoussima had visited Angora to repeat these propositions and to offer compensation to Turkey by the acquisition of territory in Transcaucasia, adding that similar propositions had been made to Berlin and Warsaw and had been well received. Turkey repulsed these proposals, and the Turkish Press stated that Turkish policy would remain faithful to its friendship with the Soviet Union (see the French journal, *Lu*, of June 1st, 1934, for Press extracts on this episode).

The plans of the German-Polish-Japanese war on the Soviet Union have thus reached a very advanced degree of preparation. But the question of such an offensive raises at once the question of the decisive role of British and French imperialism, representing still the dominant imperialist Powers of Europe. If Britain and France stand firmly and unmistakably with the Soviet Union for the maintenance of peace, then the prospects of the

war offensive of Germany, Poland and Japan are blocked, and Poland is likely to veer to the stronger side.

On the side of French imperialism the present balance of forces is favourable to peace. The Franco-Soviet pact is the strongest bulwark of peace which stands in the way of the war plans of the German-Polish-Japanese offensive. Hence the anger of the Nazi Government against the Franco-Soviet Pact. The Franco-Soviet Pact has now been ratified after a prolonged inner struggle between the Left and Right forces. Just as the temporary defeat of the working class in Germany, through the failure to realise the united front, opened the path to the war offensive, so the victory of the united front in France and the consequent strength of the working-class and popular forces has strengthened the forces of peace. The Right Wing elements in French imperialism, however, led by Laval, are openly hostile to this line and favour a line of co-operation with Hitler, allowing him a free hand in the East in return for a guarantee of the French frontiers. Thus the *New York Herald Tribune*, reported during Laval's premiership :

‘Premier Laval, who is also Foreign Minister, is a strong partisan of an agreement between the French Third Republic and the Nazi Third Reich, and is reported to be willing to scrap the Franco-Soviet Pact, which has been signed but not ratified by the French parliament, for an agreement whereby the Hitler regime would guarantee France's eastern frontier in exchange for complete freedom of action in the Memel region and in the Ukraine.’”

(*New York Herald-Tribune*, November 11th, 1935)

Laval was defeated and removed from power. Against this line stand, not only the French People's Front, but also those elements in French imperialism, strongly represented in the General Staff, which clearly see that such a line would be suicidal and, by sacrificing Eastern and Central Europe, prepare the way for the annihilation of France by Germany. So long as the People's Front maintains its strength in France against the Right Wing and Fascist elements, the Franco-Soviet Pact is safe.*

But what of British imperialism ? Here, as in the whole situation of gathering war menace already surveyed in the last chapter, we come to the crucial question. If Nazi Germany can count on the support of British imperialism, it will go forward with its offensive :

“Germany does not fear a France-Russian military alliance [*sic*] if she can succeed in keeping England in ‘splendid isolation.’ Germany would welcome isolation if she knew it were being shared by the British Empire. She would then go forward with her hands free.”

(Berlin correspondent of the *Observer*,
March 31st, 1935)

The decisive role of British policy for war or peace was recognised in an analysis by the *Economist* of “The Alternatives Before Britain” :

“We cannot afford to see Europe fall under the domination of a single aggressive military Power. In naked terms this means that, if ever there is another European war in which Germany is a belligerent we shall not be able to afford to see ‘the Third Reich’ emerge victorious in Europe either in the West or in the East.”

What, then, is to be done ? The journal, writing in April 1935, saw the possibility of a collective peace bloc of

“Powers who, like ourselves, are eager to keep the peace because they have everything to lose and nothing to gain by any violent change in the European *status quo*. The list of these Powers includes Russia and the Little Entente and the Balkan group, besides Italy and France. If Great Britain were to throw her weight into this scale, the preponderance of European force that would then be mobilised against possible German aggression would be so overwhelming that Germany would almost certainly be rendered impotent for making mischief--*quod erat Procurandum*.”

“Nevertheless, this is not practical politics; for British participation in such an anti-German military

alliance would not be tolerated by British public opinion."

("The Alternatives Before Britain," the *Economist*, April 6th, 1935)

In other words, the adhesion of Britain to the collective peace bloc with France, the Soviet Union, the Little Entente and the smaller States against German aggression in any part of Europe would, in the opinion of this well-informed financial journal, guarantee peace against the Nazi offensive, but it is "not practical politics."

What, then, is the line of British imperialism? British policy in all official expression professes support of peace and collective security. But at the same time Britain has in practice supported and assisted German rearmament, facilitated each step of the Nazi offensive, and by proclaiming repeatedly that British commitments must be limited to Western European security, that "the British frontier ends at the Rhine," and that Britain can accept no commitments for security in Eastern Europe, has encouraged the conception of the "free hand" for Hitler in Eastern Europe. The heaviest responsibility for the advance of the Nazi offensive during 1933-1936 has rested with British official policy, as led by the National Government.

In fact a conflict is taking place in British policy. One camp supports the German-Japanese offensive, seeing in this a means of weakening the Soviet Union and at the same time deflecting the German-Japanese expansionist aims from the sphere of British interests, and seeks only to prevent the extension of the conflict to Western Europe. The other camp stands for collective security in Europe as a whole.

The camp of supporters of the German-Japanese offensive contains in the first place the Fascist and pro-Fascist elements. This line is typically expressed in the Rothermere Press (reinforced by the Beaverbrook Press "isolationist" line):

"The sturdy young Nazis of Germany are Europe's guardians against the communist danger.. Germany

must have elbow-room...Once Germany has acquired the additional territory she needs in Western Russia, the problem of the Polish Corridor could be settled without difficulty....The diversion of Germany's reserves of energies and organising ability into Bolshevik Russia would help to restore the Russian people to a civilised existence, and perhaps turn the tide of world trade once more towards prosperity. By the same process Germany's need for expansion would be satisfied, and that growing menace which at present darkens the horizon would be removed for ever.

(Lord Rothermere, *Daily Mail*, November
28th, 1933)

This line supports a British-French defensive alliance as a means of forcing German expansion eastwards against the Soviet Union :

"The *Daily Mail* has for years urged the advisability of a defensive alliance with France. But it was to be of a type which was not directed against Germany—an alliance to protect the integrity of French territory in Western Europe, clear of all entanglements in Eastern Europe, and leaving Germany a free hand there against Bolshevism."

(*Daily Mail* editorial, April 1st, 1936)
The same line is expressed by Mosley and British Fascism :

"The future of Germany must lie on her Eastern frontiers in an Empire to which the future sets no limits."

(Sir Oswald Mosley. *Sunday Dispatch*, January
13th, 1935)

A similar line is expressed by the right Conservative elements, represented by the former Colonial Minister, Amery, with regard to the Japanese offensive against the Soviet Union :

"While it is no part of our policy, or of American policy, to foster a quarrel between Japan and Soviet Russia, it would be no concern of ours, if such a quarrel developed into war, to prevent Japanese expansion in Eastern Siberia."

(L. S. Amery, *The Forward View*, 1935, p. 288)

An openly aggressive advocacy of support for a war of Nazi Germany against the Soviet Union is expressed by certain Service elements, as typically voiced by the journal the *Aeroplane*:

"For years we have preached that the next really big job of the Royal Air Force will be to go to Germany to help in staving off a Russian invasion, and consequently we hold that any kind of Western European pact should be an alliance of all the white nations, including Mediterraneans, against the yellow or red people East of Warsaw."

(The *Aeroplane*, February 13th, 1935)

These open incitements to war on the Soviet Union are ceaseless in the British Jingo Press, especially in the millionaire "popular" press.

These open voices of British chauvinism and pro-Fascism are not yet the voice of British official policy, though they are often the principal driving forces behind it, and its advance expression, as the similar campaign leading up to the war of 1914 revealed. The dominant official policy, however, as represented by the National Government, is rather based on more subtle calculations. These calculations received an extremely clear expression already in 1934 in an interview given by a "prominent English Conservative statesman" to the Vienna *Neue Freie Presse* on May 17th, 1934.

"We give Japan freedom of action with regard to Russia... whereby the export policy which Japan is compelled to pursue at present would be radically changed....

"We give Germany the right to rearm; we conclude an alliance with France so that, as a result of Franco-

British co-operation, an expansion by Germany to the West will be impossible. On the other hand, we open to Germany the way to the East by giving it a possibility of expansion. By this means we divert Japan and Germany, and keep Russia in check. ”

The calculation here expressed is much closer to the dominant line of British Conservatism, as represented by the National Government. The menace of Nazi Germany and of Japanese expansion to British interests is recognised, at the same time as the class hostility of imperialist interests to the Soviet Union. The strategic inference is drawn to set one enemy against the other. British policy, according to this calculation, eggs on Nazi Germany and Japan against the Soviet Union, thus diverting their offensive from the spheres of British interests, with the prospect of in this way neutralising the power of both sides, and, in the event of a conflict, letting both sides wear one another out, while Britain remains neutral, drawing the profits of the war, and emerging as the effective ultimate victor. That this is the line of British policy is also the view of the French author, Francis Delaisi, who gave a notably accurate forecast of the war of 1914, and who in his recent book, *The Coming War in 1914 and the Coming War in 1934* (*La Guerre qui vient 1914 et la guerre qui viét 1934*; Paris, 1934), argues that the key to the European future lies in the hands of Britain (“ whoever would foresee the future in Europe must first pass by London”). and that British policy is at present directed towards precipitating a destructive, war on the Continent, in which Britain will not participate, but will through neutrality emerge as victor. Certainly the effect of the British line, in rearming Germany and refusing security in Eastern Europe, while insisting that the war shall not extend to Western Europe, encourages this impression.

It is only necessary to examine this calculation closer in order to see its suicidal character from even the narrowest standpoint of the interests of British imperialism. In fact, the conception of “localised war” is a dangerous delusion ; no war of such a scale could be kept from developing a world character, and “isolation” is likely to prove an illusory dream. But even assuming the maximum success of these war

calculations of a section of the British ruling class, assuming the success of British influence in assisting (after a suitable offensive against the franc to unseat a Left Government) a Fascist or Right Wing *coup* in France to nullify the functioning of the Franco-Soviet Pact and organise Franco-German co-operation, and assuming on this basis the consequent freeing of the path for the German-Polish-Japanese war under British inspiration against the Soviet Union, what would be the consequences of such a war for British imperialism? From a purely military point of view, leaving out of account the incalculable social-political consequences throughout the world, and not least in the British Empire, such a war could only lead to one of three outcomes. Either the victory of Nazi Germany and Japan; or the victory of the Soviet Union; or a protracted conflict without decisive victory. In the first hypothesis Britain would have armed and assisted the overwhelming military domination of its two most menacing enemies, Nazi Germany and Japan, to return with redoubled strength, the principal obstacle to their war offensive having been weakened, to the attack against Britain's possessions. In the second hypothesis, British imperialism would not only have paved the way to a result contrary to its class aims, but the defeat of Nazi Germany and Japan in war would inevitably lead to internal revolution. In the third hypothesis, a protracted conflict without victory would undoubtedly crack the unstable basis of the Fascist-militarist regimes in Germany and Japan and lead to their collapse, with the probability of the rapid extension of the socialist revolution to the Rhine, as well as to the whole Eastern Pacific. In every hypothesis British imperialism will have weakened its position through the final outcome of its dangerous game of playing with fire.

In these circumstances it is not surprising that some of the more far-sighted and experienced leaders of British Conservatism have taken a critical attitude to the line of support for the Nazi offensive as fatal to British imperialist interest, and have even given a measure of support, not previously heard

in these quarters, to the line of collective security in unity with all the States in Western and Eastern Europe, supporting the maintenance of collective security (in Europe), on the basis of the League of Nations Covenant, as the only line corresponding to the interest of British imperialism at the present stage. The mass forces fighting for peace in Britain have no sympathy for the outlook of these elements; but their role may play a certain part in hindering and modifying the so far dominant tendency of support for the Nazi war offensive.

The outcome of this conflict within British policy is still undecided. If the camp fighting for the line of collective security, for whatever reasons, carries the day, and British policy is transformed from the present support of Nazi Germany and non committal attitude with regard to Central and Eastern Europe, to active support of the line of the Franco-Soviet Pact and collective maintenance of peace as a whole, then the German-Polish-Japanese war offensive may be stayed. But the outcome of this conflict in policy will in fact depend on the strength of the mass struggle in Britain for peace, as it has already depended in France.

3. The Peace Policy of the Soviet Union

In ever sharper contrast to the open war offensive of the Fascist States, supported by powerful elements in the other imperialists States, is the consistent peace policy of the Soviet Union. Thus to the extreme poles in social and political structure correspond the extreme poles in foreign policy.

The peace policy of the Soviet Union has developed continuously since its foundation. The Soviet Union came into existence in the struggle against the first world war. Its earliest action, on the morrow of the conquest of power, was to issue its call to the peoples and Governments of all countries for immediate peace without annexations and without indemnities, in the famous Peace Decree of November 8th, 1917. From the outset the distinctive character of the

Soviet peace policy has been that it has striven untiringly for universal peace for all the peoples of the world, as well as for its own country. Every opportunity arising in international politics and in diplomacy has been utilised to this end. The range and scale of the Soviet fight for world peace has continuously enlarged and expanded, as the power of the Soviet Union has increased, and as the menace of renewed imperialist war draws closer. To-day the Soviet Union, grown to one of the most powerful States of the world, is carrying forward its historic role in actively leading the fight for peace of the peoples of all countries against the close menace of the second world war.

Just as the foreign policy of every capitalist Power corresponds to its social structure, so the peace policy of the Soviet Union corresponds to *its* social structure. The fight of the international working class and of the Soviet Union for peace is identical, because the basis and interests of both are identical. The Soviet Union is not impelled by any of those forces which inescapably drive all capitalist States to war. The economic structure of the Soviet Union, being based on planned production for consumption by the community, and not on production for the market in order to yield a profit on capital, is not driven to fight for the conquest and domination of markets as the necessary outlet for surplus goods; has no need of outlets for the exports of capital, or of annexations and subjugations of other peoples to secure the payment of tribute; has no need of colonies, mandates or subject territories to secure for growing capital accumulation extending areas of exploitation; and has no commercial profit-making armaments industries sending round their agents all over the world to foment wars and war-scares in the hope of dividends from death.

In short, the peace policy of the Soviet Union is the necessary expression of its socialist basis, no less than of its internationalist outlook. Hence there is here no contradiction between world and deeds. While particular capitalist States in particular phases and situations may have a temporary interest in the

maintenance of peace, interrupting the normal drive to war, peace corresponds to the deepest permanent interests of the Soviet Union, of its tasks of socialist construction, and of the international working class. In consequence the fight for peace has been consistently and continuously maintained only by the Soviet Union through the nineteen years of its existence.

This fundamental character of the foreign policy of the Soviet Union as a policy of peace has slowly enforced recognition even from conservative bourgeois opinion. The myth was long endeavoured to be sedulously spread by the class-enemies of socialism, and is today still circulated by Fascism, that the Soviet Union, because it recognises its role as the nucleus of a future world socialist order, is therefore committed to endeavour to establish socialism over the world at the point of the bayonet. The conception is fantastic from the revolutionary standpoint, since socialism can only be realised by the will of the mass of the people themselves in every country in the struggle against their exploiters; there can be no other basis. This principle was very clearly laid down in a Note of the Soviet Union to the United States in 1920 :

“The Soviet Government clearly understand that the revolutionary movement of the working masses in every country is their own affair. It holds to the principle that communism cannot be imposed by force, but that the fight for the communism in every country must be carried on by its working masses themselves. Seeing that in America and in many other countries the workers have not conquered the powers of government, and are not even convinced of the necessity of their conquest, the Russian Soviet Government deems it necessary to establish and faithfully to maintain peaceable and friendly relations with the existing Governments of those countries,”

(Note of the Soviet Commissar for Foreign Affairs Chicherin, to the United States Secretary of State, Colby, on October 10th, 1920, published in the

United States *Foreign Relations*, documentary
series for 1920)

On the same, sixteen years later the myth of the
|| "export of revolution" was exposed by Stalin in an
interview in 1936 :

"We Marxists believe that revolution will occur
in other countries as well. But it will come at a
time when it is considered possible or necessary
by the revolutionaries in those countries.

"Export of revolution is nonsense. Each country,
if it so desires, will make its own revolution, and
if no such desire exists, no revolution will occur."

And further :

"If you think that the people of the Soviet Union
have any desires themselves and by force to alter
the face of the surrounding States, then you are
badly mistaken. The people of the Soviet Union
naturally desire that the face of all surrounding
States should change, but this is the business of
the surrounding States themselves."

(Stalin, interview to Roy Howard, head of the
Scripps-Howard newspaper chain in the United
States, March 1936)

The Soviet Union stands, and has always stood from
the outset, on the basis of freedom of self-determination
of all peoples by the mass of the people themselves.
In fact the Soviet Union's national policy of giving
complete freedom, including the right of secession, to
all the former subject peoples of the old Tsarist
Empire was carried out with unwavering completeness
even in those countries, such as Finland—to which the
Bolsheviks gave the independence that Kerensky denied—
where the resulting independence became the basis of
bourgeois counter-revolutionary domination and the
persecution of the working class. The German
revolutionary, Rosa Luxemburg, hotly criticised from
a "Left" standpoint this Bolshevik principle of
complete national freedom as contrary to the interests
of world socialism ; but the outcome has abundantly

justified the deeper understanding represented by the line of Lenin and Stalin, not only in the complete solution of the national question within the Soviet Union, but also in respect of the correct basis of development of the world revolution and the relationship of the Soviet Union within the process. The national policy of the Soviet Union, the unreserved recognition of the freedom of self-determination of all peoples, and of the equality of all nations and races and their right to determine their own conditions of existence, is inseparably bound up with its peace policy ; and the union of both has destroyed by practical experience the slanders of "Red imperialism,"

In close association with these attempts to create prejudice against the Soviet Union have been the charges raised by imperialism against the Soviet Union with regard to the question of 'propaganda'—i. e. the propaganda of communists within the capitalist countries (which went on long before the Soviet Union existed, and would be going on even if it had never come into existence), and the association of these communists with the communists in the Soviet Union through the Communist International, or common international organisation of all communists (descended through successive stages from the International Communist League founded under the leadership of Marx and Engels in 1847). The imperialist statesmen have from time to time endeavoured to treat interchangeable the Soviet Union and the Communist International, and to demand the suppression of the activities of the Communist International as conducting propaganda hostile to the capitalist regime. It is obvious that a charge of hostile "propaganda" comes curiously from the imperialist statesmen who have themselves not merely conducted wholesale propaganda in the Soviet Union (including the issues of forged copies of *Pravda* from the offices of Scotland Yard for circulation in its territories), but have directly subsidised and armed White counter-revolutionaries and fomented civil war, and to-day give shelter to these same White Guard elements, their literature of open incitement to terrorism, assassination and war against the Soviet Union, and their military preparation. But what does the demand with regard to the Communist International amount to ? It amounts

to the demand that the Russian working class must break off relations with the working class of other countries, and that the Soviet Government should constitute itself the policeman of imperialism to enforce such a rupture. The demand has only to be stated for its fantastic character to be manifest as a direct attack on the basis of a workers' State. Such a demand received its fitting answer from the Chairman of the Council of People's Commissars in 1927 ;

“With regard to the question of the working class in the Soviet Union, its rights and its connection with the Labour Movement of the whole world, everybody, even the Conservatives, have to proceed from the fact that our Republic is a workers' State, and that precisely, therefore, not only the working masses and the workers' organisations, but also the Government of our Union can openly express its fraternal class solidarity with the working class and with the workers of other countries. Any attempt now to force the working class of the Soviet Union to abandon this natural right or to compel our Government to limit the freedom of action of the working class in regard to mutual help and connection with the working class of other countries, proceeds from the endeavour to change the nature of the Soviet State itself.”

(A. I. Rykov, Chairman of the Council of People's Commissars, speech to the Fourth All-Union Soviet Congress, 1927)

Step by step these attempts to create prejudice against the Soviet Union—which were only the expression of the class-hostility of imperialism to the socialist State—have weakened before the dominating realities of the Soviet peace policy, which have increasingly enforced recognition from very wide circles of bourgeois opinion. By 1935 even unfriendly bourgeois opinion, such as that of the organ of British officialism, *The Times*, was compelled to recognise the contrast between the peace policy of socialism and the war policy of Fascism ;

“All competent observers state one conviction—
anxious for peace.”

(*The Times*, March 29th, 1935)

"Let it be said at once that if any country in Europe has any grounds at all for fearing invasion, or the threat of invasion, it is Russia—and the territories that lie on the path between her and Germany. Passage after passage in Hitler's famous work, *Mein Kampf*, makes no concealment of Germanic expansionist aims in that direction. The Fuhrer's book is still a kind of lay bible to young Germany; and it is an enemy to confidence in Eastern Europe."

(*The Times*, May 18th, 1935)

The peace policy of the Soviet Union has developed through a series of stages corresponding to the growth of Soviet power and influence in world politics. In the early stages the main task was still resistance to active imperialist aggression, and the securing of recognition from a widening series of imperialist States in order to make possible peaceful relations. During this period the outstanding positive achievement in building a constructive system of peace based on the equality of nations was able to find expression in the relations with the neighbouring Asiatic nations. The treaties with Persia, Afghanistan and Turkey in 1921, as with China in 1924, gave direct expression to the break with the principles of imperialism, in renouncing all rights and claims enforced by Tsarism, and establishing relations of friendship and equality. The same principle underlay the Rapallo Treaty of 1922 with Germany, then treated by imperialism as a pariah among nations.

Later, a far-reaching system of treaties of non-aggression with all the neighbours of the Soviet Union—except Japan, which has up to the present refused all offers—was developed from 1925 onwards. The Soviet Union was the first to ratify the Kellogg Pact, while explicitly opposing all the reservations of the imperialist powers which nullified their renunciation of war; and a protocol to bring the provisions of the Kellogg Pact immediately into force was signed in the beginning of 1929 on the initiative of the Soviet Union with the Baltic States, Poland, Rumania and Turkey. The network of non-aggression treaties was further strengthened by the Soviet definition of the aggressor, which was adopted by

the Security Committee of the Disarmament Conference in 1933, and which was designed to leave no loophole for the normal pretexts and subterfuges utilised by all imperialist States to cover aggression: a collective convention on this basis was signed by the Soviet Union (during the World Economic Conference in London in 1933—the one positive outcome of that fruitless conference) with the Baltic states, Finland, Poland, Rumania, Turkey, Persia, Afghanistan, Czecho-Slovakia and Yugoslavia, as well as remaining open to other signatories.

So far as peace could be strengthened by pacts and covenants of non-aggression, the Soviet Union has thus taken the lead in this sphere, and accomplished all that could be accomplished. But with rising armaments on all sides, and with the manifest advance of imperialism to war, it was clear that this was not sufficient. It was necessary for the peace policy of the Soviet Union to advance to a further stage in order to lead the world fight for peace.

By 1927, with the growing strength of the Soviet Union, it was possible to carry the peace offensive a stage further forward in the world political sphere with the Soviet disarmament proposals. Already in 1922 the Soviet Union had pressed the issue of disarmament at the Genoa Conference; but the issue had been ruled off the agenda by the imperialist Powers. In 1927 this was no longer possible. The Soviet Union startled the Preparatory Committee of the Disarmament Conference, which had already been appointed since 1925 and had been disputing interminably without progress, by appearing before it to propose—disarmament. The Soviet proposals were for universal total disarmament to be accomplished in four years. These proposals were voted down by all the imperialist Powers on the Preparatory Committee and subsequently at the Disarmament Conference. This record will not be forgotten, as the present armaments race which has followed drives headlong forward to war. The direct simplicity of the Soviet proposals tore down the pacific pretensions of imperialism and laid bare the real issues before the common people. The spokesmen of imperialism could find no answer save to call the proposals "bluff." However, it is sufficiently

evident that, if they had been bluff, nothing would have been easier than for the imperialist Powers to call the bluff by accepting them. The fact that the imperialist Powers, on the contrary, united as a body to vote them down, sufficiently showed that they were very well aware that the proposals were no bluff, but in their view a danger to be fought; and thereby they demonstrated their recognition that disarmament is compatible only with communism, but that disarmament, in the view of these official representatives of the imperialist Powers, is not compatible with imperialism.

After the rejection of the proposals for total disarmament, the Soviet Union put forward in 1929 proposals for universal partial disarmament by proportional and progressive reduction, as well as destruction of all heavy artillery, bombing planes, etc. These were likewise rejected. Similarly, when the United States in 1932 put forward proposals for the general reduction of armaments by one-third, the Soviet Union immediately supported these proposals as a minimum first step; but these proposals were likewise defeated by the other imperialist Powers.

By 1934 it was clear to all that the Disarmament Conference was dead. Every attempt at even the most limited measure of disarmament had broken down against the contradictions of imperialism. Rearmament was sweeping forward. The menace of new world war was drawing close. At this point the Soviet Union again came forward with new proposals to face the realities of the situation and to make one last attempt to avert the menace of war. Since disarmament had failed, there remained only one final path to attempt to defeat the war danger—the path of organising effective guarantees of security and mutual assistance against any attempt to make war. These proposals were put forward by Litvinov in a speech to the Disarmament Conference in May 1934. He pointed out that all attempts at disarmament had failed, and that the danger of war was urgent and open. He accordingly proposed: first, that the Disarmament Conference should be reconstituted as a Permanent Peace Conference to deal immediately with any menace of outbreak of war; and second, that a series of

regional pacts of mutual assistance against the aggressor should be organised, since pacts of neutrality and non-aggression could no longer be regarded as sufficient when certain States were openly preparing wars of aggression.

The Soviet Union took a series of important steps to carry out this line. The first was to join the League of Nations in the autumn of 1934. The second was the endeavour to organise an Eastern European Security Pact, which finally took shape in the Franco-Soviet Pact of May 1935, and the subsequent Mutual Assistance Pact of the Soviet Union and Czecho-Slovakia.

The joining of the League of Nations by the Soviet Union followed on the change in the balance of forces within imperialism and within the League of Nations. The imperialist States most actively driving to war, Nazi Germany and Japan, had now left the League of Nations, and were conducting their operations outside it and against it. The League of Nations thus offered the possibility of developing as an organisation of States opposed to immediate war, and capable of placing an obstacle in the path of war. Such a possibility required to be utilised to the utmost. The basic faults of the League, both in respect of the imperialist aspects of the Covenant, and in respect of the weakness of its machinery for preventing war, remained. The Soviet Union, in accepting the invitation to join the League, made clear that it had not changed its view with regard to these, and that, while loyally collaborating and accepting all international obligations to maintain peace in accordance with the Covenant, it specifically excluded responsibility for those sections of the Covenant, such as the mandate system, which expressed the principles of imperialist domination and were not in accord with the principles of the Soviet Union. These reservations were expressly laid down in the statement of Litvinov on joining the League :

“The Soviet Union is entering into the League as the representative of a new social-economic system, not renouncing any of its special features, and—like the other States here represented—preserving intact its personality....

"Had we taken part in drawing up the Covenant of the League, we would have contested certain of its articles. In particular, we should have objected to the provision in Articles 12 and 15 for the legalisation, in certain instances, of war... Further, we should have objected to Article 22 on the system of mandates. We also deprecate the absence in Article 23 of an undertaking to ensure racial equality.

"All this, however, has not been important enough to prevent the Soviet Union from entering the League, especially since any new member of an organisation can be morally responsible only for decisions made with its participation and agreement."

The question of the Franco-Soviet Pact, and the general question of collective security, has been discussed in Chapter V.

The peace policy of the Soviet Union has thus reached its highest stage at the present point, when the menace of renewed world war is closest and most urgent. Both within the League of Nations, through all possible diplomatic channels, and directly in the declarations of its representatives to the peoples of the world, it is actively leading the fight for peace. On the outcome of this fight heavy issues hang. The Fascist imperialist war offensive against the Soviet Union goes forward. In the event of such an offensive the Soviet Union stands ready for defence. In the words of Stalin to the Seventeenth Congress of the Communist Party of the Soviet Union in 1935.

"Our foreign policy is clear. It is the policy of preserving peace, and developing trade relations with all countries. The U. S. S. R. does not think of threatening anyone, much less of attacking anyone. We stand for peace and defend the cause of peace. But we are not afraid of threats and are ready to return blow for blow to the war mongers. Those who desire peace and seek business relations with us will always have our support. But those who attempt to attack our country will receive a devastating rebuff, in order to teach them not to thrust their pigs' snouts into our Soviet garden."

The peace policy of the Soviet Union cannot in itself constitute a guarantee against the outbreak of war. This decision rests on the total forces of the world situation, on the one hand, on the strength of the forces of imperialism, and especially of the Fascist sections of imperialism, driving to war, and on the other hand, on the strength of the mass forces fighting for peace, and of the elements within imperialism opposed to immediate war. But the peace policy of the Soviet Union mobilises the maximum forces against the war offensive, in order, if possible, to prevent the outbreak of new world war, and, failing that, prepares the ground that in the event of war these forces will continue the struggle, in unity with the Soviet Union, against the war-makers and for the final victory of peace and socialism.

CHAPTER IX

The Fight For Peace And The Future Of World Organisation

"The bourgeois period of history has to create the material basis of the new world---on the one hand, universal intercourse founded upon the mutual dependency of mankind, and the means of that intercourse: on the other hand, the development of the productive powers of man and the transformation of material production into a scientific domination of natural agencies. Bourgeois industry and commerce create these material conditions of a new world in the same way as geological revolutions have created the surface of the earth. When a great social revolution shall have mastered the results of the bourgeois epoch, the market of the world and the modern powers of production, and subjected them to the common control of the most advanced peoples, then only will human progress cease to resemble that Hindoo pagan idol who would not drink the nectar but from the skulls of the slain."

Karl Marx, "The Future Results of British Rule in India,"
New York Tribune, August 8th, 1853

What are the practical conclusions that can be drawn from the present survey of the contemporary world situation?

It is clear that in all spheres we are approaching to an extremely critical point. The menace of new world war is the most glaring and obvious expression of the present situation. But this menace of war is itself only an indication and outcome of the gathering issues in every sphere, economic, social and political.

Is a new world war inevitable? This question is to-day being asked on every side.

This question in fact involves two issues which it is necessary to distinguish. The ultimate overcoming

of war involves a transformation of the existing organisation of society. But this does not mean that, until such a complete transformation can be effected, imperialism must be left free course to war. On the contrary, the fight against the present drive of imperialism to war opens the way to the fight for the final overcoming of imperialism. It is therefore necessary to distinguish two problems, the immediate and the ultimate, although they are in fact closely interrelated.

The first is whether it is possible in the immediate present stage, while imperialism still holds power in the majority of countries, to prevent, or at any rate to postpone, the outbreak of war, so as to win time for the rising new forces to gain strength to carry out the basic solution needed.

The second, allied to the first, but not yet identical with it, is the wider problem of the whole future of world organisation, the solution of which can alone finally eliminate war. This problem is bound up with the whole question of the future of the social order.

These questions it is now necessary to consider in relation to the concrete present world situation.

I. The Fight for Peace

The prospect of a second world war is already regarded by many as inevitable. In America a book has appeared with the title *The Second World War*. In Britain a Labour College textbook is dedicated as "a handbook for those who will take part in the second world war." Thus many even of those who profess opposition to war have been already sufficiently hypnotised by the basilisk glare of its approaching fires to capitulate beforehand to the theory of its inevitability—that is, to abandon the struggle against it.

It is undoubtedly true that imperialism to-day is racing headlong to war. But the assumption of inevitability only helps its approach. It is also true that war is ultimately inevitable under imperialism, if the power of imperialism is not previously destroyed from

within by the victory of the working-class conquest of power. But war is never inevitable at any particular moment, if the forces against it are mobilised in time and able to bring their full strength to bear.

The possibility of such a mobilisation for peace is the central issue of the present immediate stage of the world situation.

The existing war offensive of imperialism, concentrated to-day in the advancing offensive of the Fascist Powers, with the support and assistance of the dominant reactionary sections in all the imperialist countries, has up to the present won success after success. The extending war offensive of Japan in the Far East since 1931 has gone forward unchecked. The war offensive of Italy on Abyssinia has gone forward unchecked. The German Nazi offensive, violation of treaties and open drive to war, culminating at present stage in the remilitarisation of the Rhineland in preparation for future war, have equally gone forward unchecked. But this does not mean that this enlarging war offensive which dominates the present world situation is therefore invincible and must necessarily go forward to its final outcome in general war. The potentially stronger forces of the peoples in all countries, who are opposed to war, as well as of those elements within imperialism opposed to immediate war, could still check it and bar the road to its further advance, if effectively organised. The Fascist war offensive has so far won success after success because the forces for peace have not yet been effectively mobilised. But such a mobilisation is not impossible.

Such a mobilisation against the immediate menace of war, while offering no final solution of the problems of imperialism, could still win time for the deeper transformation that is necessary. It is still possible that the revolutionary crisis may develop, as it is showing signs of beginning to develop in several countries, before the outbreak of war. The possibility is thus still open to advance to the necessary new forms of social organisation and ultimate new forms of world organisation without the necessity of passing through the inferno of a second world war, if

the immediate menace of war can still be checked for a period. We have still time, though not for long, to turn the course of history and to prevent the incalculable disaster to humanity which a new world war could represent.

This issue is the central issue of the present stage of the world situation, which it is now necessary to examine in the light of the whole development since 1914.

The basic character of the present epoch of world history is that since 1914 the objective conditions have been fully ready and urgently calling for a far-reaching social transformation by the supersession of imperialism, but that the conscious human forces have not yet been ready. The rule of imperialism, or domination of the life and production of the world by rival groups of finance-capital, is not compatible with the world organisation which is the urgent need to-day and indispensable condition of further human advance. The war of 1914 was the final condemnation and warning that imperialism could find no path forward or solution of its contradictions save to involve mankind in successive holocausts. The issue was thus laid bare between imperialism and the future of civilisation. If the new rising class the working class, which, with its allies in the mass of the population and in the colonial peoples, could alone supersede imperialism and organise society on a world basis without distinction of classes, failed to conquer power, then the only outcome could be increasing decline, chaos, suffering, renewed world war and spreading barbarism, until such time as the fires of experience had burned out every illusion in the path and ripened readiness for new advance.

In the first world war of 1914-1918 the working-class forces were only partially ready; they won power in Russia; they came near to winning power in a series of other countries. But in the imperialist countries other than Russia the dominant leading forces of the working-class movement, for reasons connected with the conditions of the previous epoch, were still linked by a thousand ties with

imperialism, and, rejecting the path of the necessary socialist revolution, assisted to restore the capitalist order. The consequence has been the present post-war period. Imperialism had once again to drag the world along its deadly course, to demonstrate once again its incapacity of further development, and after causing heavy suffering and an increasing disorganisation of production, to land once more in a headlong armaments race and situation of gathering world war as before 1914. This is the history of the post-war period we have had to traverse.

Because the lesson of 1914 was not yet drawn over the greater part of the world, because mankind was not yet ready for the basic transformation needed, therefore we have to-day to face the menace of a "new 1914." On every side it is now being said that we are once more "on the eve of 1914." But it is necessary to examine the concrete form of this situation a little more closely.

Does this apparent return of the menace of 1914 mean that the course of history is repeating itself? On the contrary. In fact history knows no simple repetitions; and if its course appears again to touch familiar ground, it means that a problem which has been already posed and left unsolved is returning with redoubled force. *But it is returning under new conditions.* The basic objective problem, the overcoming of imperialism, is the same. But the whole stage of development is different, owing to the two decades of the general crisis of capitalism that have gone forward. The human forces are transformed by these two decades of intense experience. The whole balance of forces between capitalism and socialism has been transformed, to the disadvantage of the former, and to the advantage of the latter. Capitalism has developed to new forms, corresponding to the more extreme stage of its decay, and finding most typical expression in Fascism. The rising new forces have won new factors of strength, most strongly exemplified in the existence of the Soviet Union, as well as in the world advance of the working class, of the people's front and of the colonial revolution. These changes in the relations of forces, in class relations and in international relations, extend over every part of the world. Hence the problems to-day are basically new in character and require new measurement. And hence

also has arisen the possibility of even defeating the menace of new world war, or, if that attempt fails, of nevertheless bringing it very rapidly to a different conclusion.

The present world situation is no longer the situation of 1914; and any comparisons between the two, if they go beyond the bare fact of the menace of new imperialist war, become superficial and misleading, and in danger of blinding us to the most important forces, no less than to the most urgent problems, of the present new situation with which we are faced. The differences are even more important than the similarities; for it is the differences that constitute the peculiar character of the new problems, and at the same time help to point the way to their solution.

The war of 1914 was a war between two more or less evenly matched imperialist alliances for spoils and territories, for the new division of the world. The working class had not yet conquered power in any country. The rival alliances of imperialist Powers confronted one another with roughly parallel predatory aims (Britain seeking the German colonies and Mesopotamia, Germany seeking the British colonies and *Mittleuropa*, France seeking, not only Alsace-Lorraine, but the left bank of the Rhine, Russia seeking Galicia and Constantinople). In the issue of this war, as between one gang of robbers and another securing the booty, the workers could have no interest, save to utilise the conflict for their own class conquest of power. This was the situation of the war of 1914, and the consequent line of fight against the imperialist war of 1914, as laid down by Lenin and carried out by the Bolsheviks in Russia.

To-day the issue of the new division of the world is developing once more within imperialism to the point of conflict. But it is developing in a new and peculiar form corresponding to the special conditions after over two decades of the general crisis of capitalism. It is developing in a world in which capitalism has gone very much further in decay, in which the revolutionisation of the working class and of the colonial peoples has made great advances, in which socialism holds power

over one-sixth of the earth and in which the capitalist dictatorship has developed in a series of countries to the new forms of Fascism, or the concentrated power of the most aggressive, chauvinist and reactionary elements of finance-capital organised for war. All these new conditions have transformed the character of the advance of imperialism to war. It is not only that to the previous types of inter-imperialist war, and of imperialist war on a colonial people or for the subjection of a small nation, has been added the new type of imperialist war against socialism, against the Soviet Union, with this new issue affecting all other alignments; the relations within imperialism have also changed: and the inner social political situation in the imperialist, countries has changed.

On the side of imperialism, the most important new development of the present stage is Fascism. Fascism appears as the open terrorist dictatorship of capitalism in extreme decay against the rising revolt of the working class. *But Fascism is at the same time the highest expression of organisation for war.* These two aspects of Fascism are inseparably interlinked. On the one hand, modern totalitarian war requires the complete crushing of all popular resistance, the wiping out of all independent working-class organisation or even liberal-progressive or pacifist currents, and the organisation of the entire population and economy for war. This is the task of Fascism in the domestic sphere. On the other hand, Fascism, because it cannot solve the economic contradictions of capitalism which underlie its rise, is driven to foreign adventure and war for its attempted solution. This policy is the expression of the policy of the most reactionary, chauvinist and imperialist sections of finance-capital of which Fascism is the organ. Fascism is the most complete organisation of modern imperialism for war.

The integral connection of the Fascist system of State organisation and "totalitarian war" is expressed in all Fascist literature, alike in the countries where Fascism has won power and in the countries where it still seeks to win power. Reference may be made to the official German military booklet on *The Military Significance of the National Socialist Revolution*, by

Major Jost, head of the Press Department of the German War Ministry, issued with a preface by General von Blomberg, the Minister for War :

“The writer shows that the form of the National-Socialist State corresponds with the requirements of modern war which demands all the moral, physical and material resources of the State. He recalls the divorce between strategy and politics in the pre-war period which caused the totalitarian nature of war to be forgotten. As Chief of the State, Leader of the party and supreme Commander-in-Chief of the armed forces, Adolf Hitler is the master of Germany, with power in his hands for which there is scarcely any precedent in history. All opposition between soldier and citizen, between civilian and military thinking, has been resolved in his person.”

(Berlin correspondent, *The Times*, February 27th, 1936)

The new social-political conception is described in the following terms by the *Deutsche Wehr*, the professional organ of Hitler's Officer-Corps ;

“A new world has come into being, for which war is frankly a postulate, the measure of all things, and in which the soldier lays down the law and rules the roost.... Every human and social activity is justified only when it aids preparation for war.”

(*Deutsche Wehr*, December 1935, quoted in
Albert Muller, *Germany's War Machine*)

The same conception was expressed by Mussolini in his speech to the Assembly of Corporations in March 1936 :

“The regulating plan of Italian economy is dominated by one premise--the inevitability that the nation must be welded into one concrete warlike *bloc*. When and how war will break out no one can say, but the wheel of destiny runs fast.... We are moving towards a period in which these industries (the key industries) will have neither the time nor the power

to work for the private consumer. They must work exclusively, or almost exclusively, for the armed forces of the nation."

(Mussolini, speech to the Second National Assembly
of Corporations, March 1936)

The yearning of British military opinion towards a similar system may be seen in the article on "The Military Implications of Fascism," by Major General H. Rowan-Robinson, C. B., C. M. G., which appeared in the *Army, Navy and Air Force Gazette* in 1934. In this article the writer argued that the country would be most efficiently organised for war if the Fascist system were introduced "and the general ideas of the 'leader' of the B. U. F. hold the field":

"As regards industrial preparation against the emergency of war, which is almost as essential nowadays as the preservation and training of combatants, a Ministry of Corporations dealing with every branch of trade and industry would clearly be of great value, for it would enable inter-departmental procedure to be simplified."

For similar conceptions in French military circles, reference may be made to the book of General Mordacq on *The Lessons of 1914 and the Next War*, especially chapter viii on "Political Lessons for the Next War":

"With regard to internal politics, they should for practical purposes cease to exist. The Chief of the Government should receive full confidence and the most extended powers."

(General Mordacq, *Les Lecons de 1914 et la
prochaine guerre*)

Fascism develops historically in close association with the military organisation of imperialism. Both in Italy and in Germany the Fascist movement developed from the outset and was assisted to power under the fostering care of the military authorities (see the present writer's *Fascism and Social Revolution*, published in 1934, for a further analysis of this process). . . .

The tendency to Fascism exists increasingly in all contemporary imperialist States and is backed by the most reactionary sections of finance-capital, and by considerable sections of the higher military police and bureaucratic authorities. But it is in the countries where the full Fascist dictatorship has been established, in Nazi Germany, in Fascist Italy and in Fascist-militarist Japan among the leading powers (as also, in varying degree, in Fascist Poland, in Fascist Hungary, etc.) that the most complete organisation of the entire State for war has been realised. These Powers are at the same time the challengers in revisionist Powers in the developing conflict of imperialism for the new division of the world. Thus it is the Fascist Powers which are the spearhead of the modern drive of imperialism to war. It is also the Fascist Powers which lead the imperialist crusade against the Soviet Union.

This role of the Fascist forces as the main forces driving to war in the present period is not only a question of the direct role of the Fascist Powers in the first place, of Germany, Poland, Italy or Japan, but also takes on a wider character in that the similar forces in the other countries which are not Fascist are in sympathy with the Fascist States and work in close association with them. This is particularly marked in the case of British imperialism, where the dominant forces of the National Government gave strong support to the initial stages of the Japanese offensive, continuously sought to reach a corrupt agreement with Mussolini at the expense of Abyssinia, and have up to the present worked in close alliance with Hitler in every move of the Nazi offensive. Similarly in Franco the Right Wing forces not only stood for the alliance with Mussolini, but also work for co-operation with Hitler against the Franco-Soviet Pact. The reasons for this support of leading sections of imperialism in the non-Fascist States to the Fascist war offensive have been analysed in previous chapters, and cover a variety of grounds, including reasons of inter-imperialist antagonisms, reasons of class-sympathies to the Fascist dictatorships as the bulwark against socialist revolution, and hopes of diverting the Fascist war offensive to war against the Soviet Union. The result is a certain character of linking across countries of the

most reactionary sections of imperialism in the Fascist war offensive. The fight against the new world war is thus closely intertwined with the inner social-political fight in every country.

This Fascist war offensive is the present heightened stage of the offensive of Fascism against the peoples all over the world. *The Fascist war offensive, led in the first place by Germany, Italy and Japan, with the support of dominant forces of British imperialism, and of powerful sections in all the other imperialist States, is the main, dominating drive of imperialism to war to-day.* The key to the fight for peace at the present point lies in the understanding of this concrete situation. While it is necessary to hold continuously in view the whole network of imperialist antagonisms, and to maintain the fight against all the war-policies of every imperialism, it is against this most menacing war offensive of the present moment that the main fight needs to be directed at the present stage.

Thus the battle of imperialism for the new division of the world is developing to-day in a new and peculiar form. The revisionist, challenging Powers which openly press forward to war at the same time the Fascist Powers. Against them the Powers in possession, having more to lose by the menace of war, and also not having their organisation for war brought to the same pitch of preparation as the Fascist States, are relatively thrown on to the defensive; and leading sections within these Powers (in opposition to the pro-Fascist sections) temporarily strive to delay war. This division finds its reflection in the changed situation in the League of Nations. The Fascist war-making Powers pass out the League to pursue their war aims with greater freedom. The remaining imperialist Powers under challenge seek, with considerable hesitations and inconsistencies, to utilise the League to safeguard their possessions and delay the outbreak of war. For this reason they begin (with considerable divisions of opinion within the ruling class) to give a certain encouragement to the conception of collective security and to the role of the League as an instrument for the collective maintenance of peace; and this conception is actively

taken up by the majority of the smaller States within the League, which, directly threatened by the war plans of Fascism, look to the League for collective protection. This situation within the camp of the major imperialist Powers gives certain possibilities to the forces fighting for peace to utilise these contradictions in the imperialist camp in order to place obstacles in the way of the advance to war.

The role of the smaller States becomes of especial importance in this situation. The Fascist war offensive directly threatens the existence and independence of the smaller countries in Europe. All the smaller countries are afraid of the menace of war, since they all know that at any moment their hour may come. The Baltic States know that Germany has its eyes on them. The same applies to Belgium and Denmark, Austria is the battleground between German and Italian aims of domination, with corresponding rival forms of Fascism struggling for mastery. The Balkan States are faced with the rival expansion aims of Germany and Italy. The little entente holds together so far in opposition to the revisionist offensive. For this reason the majority of the smaller States are passionately opposed to the new world war. It is evident that a struggle of any one of these smaller States against the Fascist expansion offensive would bear the character of a struggle of national liberation for the maintenance of national independence (a type of struggle which Lenin in 1916, in his article on the Junius pamphlet, indicated might arise in Europe in the decades after the first world war, if the working-class revolution failed to conquer, and if reaction established itself in Europe, and which could then bear a progressive and necessary character). The interests of the fight for peace, no less than of the international working class, would necessarily support this struggle against the Fascist offensive. The smaller countries in Europe look anxiously towards the League of Nations for defence against aggression; and this situation leads to increasing tendencies within the smaller countries to look to the Soviet Union's fight for peace and for resolute collective defence against aggression as the leader of their fight.

Thus a new alignment of forces, corresponding to the present contradictions, and offering certain possibilities to the fight for peace, has developed within the camp of imperialism. What of the situation of the working class and of the popular forces of opposition to war and Fascism? Here also far-reaching changes have developed from the situation of 1914.

The first and most obvious change, completely transforming the situation from 1914, is the working-class conquest of power over one-sixth of the world and the victorious building up of socialism in the Soviet Union to the position already of the second strongest industrial Power in the world and the largest single State in the world. In contrast to the situation of 1914, socialism, through the Soviet Union, is able to act directly in the sphere of State relations and to exercise its influence on the side of peace. This exercises a powerful crystallising effect on the struggle of the smaller States for peace, as well as on the conflict of forces within the imperialist States. The Soviet Union becomes the leader of the fight for peace on a world scale in the existing relations of States.

At the same time the Fascist war offensive directs one main side of its thrust against the Soviet Union. Powerful sections of capitalism, seeing in the victory of socialism in the Soviet Union the ultimate doom of capitalism on a world scale, advance to war on the Soviet Union. This introduces a new complication into the imperialist alignment for war and the whole issue of threatening world war. This situation may extend further. Soviet China reveals already the beginning of the power of the workers and peasants in extending districts in China. The possibility of the workers advancing to power in a series of countries draws into view. The issue of war in the present epoch is thus no longer only the issue of war of imperialism against imperialism, or of imperialism against a colonial people or weaker nation, but also the issue of imperialism against socialism or the workers' power; and even inter-imperialist war may rapidly turn into war on the Soviet Union. In this issue the workers, and the masses of the population in all countries, are by no means disinterested, since the territory won by socialism in any part of their world is their fortress; but

are vitally interested that in the event of war on the Soviet Union, or on the workers' power in any country, the enemies of the Soviet Union, or of the workers' power in any country, shall be defeated. Similarly, the fight of the Soviet Union for peace is identical with the interests of the masses throughout the world. This alignment is a new situation in world politics.

Second, within the working class in the capitalist countries important changes have taken place. The war of 1914 gave rise to the formation of the Communist International, the international revolutionary organisation of the working class. The transformation thus begun has been carried forward through the experience and struggle of the succeeding two decades. The decline of capitalism has continuously undermined the position of the old aristocracy of labour; and the experiences of 1914 to 1936 have dealt heavy blows to old illusions of progress within imperialism. This process has been accelerated in the most recent period by the effects of the world economic crisis, by the blows of Fascism to the old legalist-democratic illusions, and by the contrasting example of the victorious outcome of the revolutionary path in the Soviet Union and the disastrous outcome of the reformist path in the capitalist world. In consequence, the basis of the old opportunist social democratic policies and leadership had been weakened; the mass of the workers are moving towards a new orientation. This process is reflected in the present crisis of the Second International and the advance of the united working-class front. The united working-class front is growing out of and advancing in the struggle against Fascism and against war. Thus the united working-class front is not only the central core of the front against war and Fascism, for organising the mass struggle against the war policies of imperialism, but is at the same time preparing the conditions for the further struggle, if imperialism none the less unlooses war.

Parallel to this transformation within the working class develop corresponding changes within other strata of the population, undermining the stability of the old order and weakening the basis of the rule of finance-capital. The crisis of the so-called "middle class"

or intermediate strata, of the small propertied elements, of the urban petty bourgeoisie, intellectuals and professional strata, and of the mass of the peasantry or small farmers, has developed sharply with the world economic crisis and its consequences. These elements were previously the main basis of stability of the rule of finance-capital in opposition to the working class, of political apathy and class-conciliation. To-day they are drawn ever more actively into the political struggle in the endeavour to find a solution for their problems. A section falls temporarily a victim to the lures of Fascism, which holds out to them empty promises only to strike them down more heavily after coming to power. But in the majority of countries increasing sections move to alliance with the working class, recognising that their interests are bound up with those of the working class in the common struggle against war, against Fascism, and against the reactionary economic and political policies of finance-capital. This finds expression in the development of a broad "people's front" in a number of countries, embracing the mass of the population, with the working class as the central leadership, in opposition to Fascism and to war. Thus the inner social and political situation in the capitalist countries, both in the Fascist and non-Fascist countries, is markedly different from that prevailing in 1914, and reveals a far higher degree of tension, instability and sharpening class struggle.

Finally, the colonial peoples are advanced in their struggle for liberation from imperialist rule to a point with which 1914 affords no comparison. Soviet China has maintained its independent State organisation for the better part of a decade, and is the center of the gathering combined front of all the forces of the Chinese national revolution; the Indian revolution is maturing, with the increasing role of the workers and peasants in the forefront of the struggle against imperialism; Turkish nationalism has established its independent authority in armed struggle against the imperialist forces, and maintains its independence, on a basis of close friendship with the Soviet Union; all the African peoples are awakening; while in a series of South American countries the national liberation movements are advancing towards the conquest of power. The

foundations of imperialism are being undermined. This situation leads the dominant imperialist Powers, with large colonial possessions, to hesitate the more before the prospect of a new world war, at the same time as the Fascist war-making Powers advance to fix their stranglehold on the rising colonial peoples (Italy in Africa, Japan in China and India, etc.) and thus reveal the Fascist war offensive as equally the direct enemy of the colonial peoples.

The struggle of the colonial peoples, the most powerful allies of the working class against imperialism, becomes an integral part of the popular front against the imperialist war-makers. This has been significantly shown in the war of the Abyssinian people for their independence against the offensive of Italian Fascism. The sympathies, alike of all the colonial peoples in Africa and Asia, of the international working class, of the people's front in the capitalist countries, of the smaller countries and of the Soviet Union, were openly on the side of the Abyssinian struggle for independence; the sympathies of the Fascist and pro-Fascist elements in the imperialist countries were no less openly on the side of the Fascist offensive. The issue became an issue of internal politics in a series of countries; and the League of Nations became an arena of conflict of the opposing forces. There could be discerned here a symptomatic preliminary indication of the gathering confrontation of two camps on a world scale.

What is the conclusion to be drawn from these gathering new forces of the world situation in relation to the menace of war and the fight for peace? It is evident that the drive of imperialism to war has reached an extreme stage of intensity with the present Fascist war offensive. This menace dominates the immediate world situation. *But it is also evident that the forces which could be mobilised for peace in the present balance of relations, owing to the increased strength of the rising class forces, owing to the greater disintegration of capitalism, owing to the existence of the Soviet Union, and owing to the divisions within the imperialist camp, are potentially stronger than at any previous time, and could, if united, prove stronger than the Fascist war offensive and hold it in check.* Such

an effective mobilisation for peace, however, does not yet exist; the war offensive up to the present is gaining ground at an accelerating pace. Herein lies the central problem of the present world situation.

If the immediate Fascist war offensive, which constitutes the main drive of imperialism to war in the present phase, can be checked, then the way is opened to rapid advance in every part of the world, including in the Fascist countries; and this advance can lead the way in the near future to a decisive change in the balance of forces against imperialism and thus towards eliminating the real causes of war. But the governing present issue is to mobilise every force to check the immediate war offensive. The fight for peace is to-day the centre of the fight against the main offensive of the dominant, most aggressive forces of finance-capital.

What are the conditions for such an effective mobilisation for peace in the present stage?

The first necessity is the unity of the mass forces in all countries in the struggle for peace. All calculations of peace which are based on confidence in the actions of the imperialist Governments are doomed to failure, because the imperialist Governments by the law of their being can only pursue their separate interests and are incapable of a collective aim. Hence the failure up to date of the League of Nations. Only when the independent mass struggle for peace is strong, can it also compel the actions of particular imperialist Governments, in certain situations, to subserve a particular immediate aim of the struggle. The main base of the peace front is and must be the mass front of conscious and active struggle for peace in all countries, in unity with the Soviet Union and with the small nations fearing imperialist war.

The building of such a mass front for peace on a world scale requires the unity of the international working class, the strongest force in opposition to imperialism and the leader of the fight against Fascism and war. The mass front for peace can only

be effective, and can only be freed from imperialist influence which will otherwise distort its line to serve the interest of imperialism and of war, if the working class is able to assume the leading role within it.. The international unity of the working class is still hindered by the opposition of the dominant minority in the Second International, which has up to the time of writing refused the proposals of the Communist International for an international united front. This is the gravest present weakness in the front for peace; and the responsibility for this rests on the shoulders of the leadership of the British Labour Party who have up to the present barred the way to the wish of the majority in the Second International for negotiations for a united front. It is urgently necessary, in the interest of the fight for peace and of a common front against the menacing war, offensive, no less than of the whole future of the international working-class movement, that these obstacles should be rapidly overcome. Such a realisation of international working-class unity, on a basis of active common struggle against Fascism and war, could rapidly transform the character of the world situation.

While the working class is the decisive centre and main force of the struggle for peace against the imperialist war offensive, the working class can to-day win allies in this struggle from very wide strata of the whole population in every country. The common immediate aims of the fight for peace can win the support of widely differing elements and concentrate the fight against the dominant sections of finance.-capital driving to war or assisting the Fascist war offensive. The examples of the "people's front" in France, Spain and other countries have shown the possibilities of such a broad popular front and the influence it can exercise on the whole line of policy in the given country and for mobilising the fight against the war offensive.

Such a mass peace front, fighting in unity with the Soviet Union and with the smaller nations fearing war, can exercise a decisive influence in the present stage of international relations to check the war offensive. For

this purpose it is essential for the mass peace front to pursue a positive and clearly defined policy for peace in the present immediate questions of international relations. The possibility for this is presented by the existing divisions within the imperialist camp. While one section of imperialism, represented by the Fascist Powers and by the pro-Fascist elements in the other imperialist States, drives openly to war, another section, including powerful elements in the non-Fascist imperialist States, hesitates at present, for reasons previously explained, and seeks for the time being to delay the immediate outbreak of war. This is the objective situation which offers the possibility for the mass peace front to utilise this antagonism in order to hinder the war offensive. On this basis the possibility arises to build up a collective peace front, consisting of the Soviet Union, the smaller States and those imperialist States which seek to delay immediate war, sufficiently powerful to hold in check the Fascist war offensive. The question of such a collective peace front is at present the most critical question of international relations.

The effectiveness of such a collective peace front would require that all the participating States should undertake clearly defined obligations of mutual assistance against aggression, that a definition of the aggressor such as that put forward by the Soviet Union and already adopted by a number of States should be universally adopted as the basis, and that the obligations of mutual assistance should be universal, not local. This objective would require either the strengthening of the present basis of the League of Nations, or a general security pact, or the extension of the Franco-Soviet Pact by a corresponding Anglo-Soviet Pact and similar agreements. If such a collective peace front could be effectively realised (its effectiveness would depend on the strength of the mass peace front), then it could bar the way to the immediate war offensive. Such a collective peace front should be equally open to the participation of the Fascist States on the same terms as other States; but their refusal should not be made a pretext for its abandonment. If the existing Franco-Soviet pact were reinforced by a corresponding Anglo-Soviet pact (equally open to other signatories), if British policy could be

transformed by mass pressure from its existing diplomatic support of Nazi Germany and refusal of all commitments for peace outside Western Europe, to unity with the Soviet Union. France, the Little Entente, the Balkan Entente and the smaller countries for the collective maintenance of peace against aggression, then a strong barrier could be built in the immediate present situation against the Fascist war offensive, and the Fascist States would be left with no alternative save either to enter into such a collective system, or to remain impotent outside it, biding their time in the hope of its disruption.

The question of a collective peace front has aroused widespread controversies. Some of these controversial issues have already been considered in principle in Chapter V (Section 4. "Collective Security"). In the forefront of the fight stands the direct opposition of the reactionary and pro-Fascist sections of imperialism to any system of collective security. These advocate the "localisation of war," and either openly attack the League of Nations or seek to weaken still further its basis, to remove Articles 10 and 16, or to replace it by isolationist regional systems, and equally seek to destroy the Franco-Soviet Pact. The role of these sections in assisting the Fascist path to war is obvious.

But there is also a considerable degree of controversy on the question of a collective peace front within the camp of the supporters of peace. These difficulties have in part arisen from the tendency of a section of pacifist opinion (the typical tendency of bourgeois pacifism and reformism) to preach exclusive reliance on diplomatic collective machinery for peace, that is, on the action of imperialist Governments, as a substitute for the independent mass struggle for peace. All experience has shown the illusory and dangerous character of this line, which leads to the passivity of the masses and the free play of imperialist policy, and thus in the end assists the advance to war. The effectiveness of any collective machinery for peace depends on the effectiveness of the independent mass struggle for peace

with the action of the working class in the forefront. The fight against Fascist war offensive requires equally the fight against Fascism and the war-policies of imperialism within each country.

On the other hand, in reaction against this tendency there has arisen the alternative tendency which takes a completely negative line on the question of a collective peace front in the present situation, and sees in it only the danger of unity of the working class with the bourgeoisie. This tendency, in the name of opposition to imperialism, objectively supports the line of the most reactionary pro-Fascist sections of imperialism in their opposition to the collective maintenance of peace and thus assists the Fascist war offensive. The independence of the working class from the bourgeoisie in every situation is the first condition of the fight against imperialist war; but this does not mean that the working class must not utilise, as Lenin repeatedly pointed out, every factor and every differentiation, however small, in the camp of the bourgeoisie in order to further its aims in a given tactical situation. To fail to do this is to play with the question of war and to fail to fight seriously for peace. Allied to this is the tendency which preaches the ultimate "inevitability" of war under capitalism, presents socialism as the doctrinaire ultimate alternative, and on this basis surrenders the initiative in the present situation to imperialism, inculcates the passivity and impotence of the masses in the face of the menacing advance to war, and thus assists the war offensive.

In other sections of the camp of supporters of peace the fear is expressed that the line of the collective peace front will only lead to the formation of rival alliances and the "encirclement" of the Fascist States, with the ultimate outcome in war, and that the correct solution lies in reconciliation with the Fascist States by concessions to their demands, a re-partition of colonies, etc. Once again this tendency only assists the war offensive. The line of the collective peace front, to participation in which the Fascist States are equally invited, cannot be regarded as equivalent to the "encirclement" policies

of rival alliances. It is perfectly true that the existing *status quo*, which is thus defended against aggression, is no ideal; but the solution of this lies outside the conditions of imperialism and cannot be found within imperialism; in the immediate present situation the main task is to check the war offensive. The dream of a peaceful and "just" redivision of colonial spoils and areas of exploitation within the imperialism is an illusory and reactionary dream, incapable of realisation in face of the insatiable appetites of the rival imperialisms. In practice each concession only whets the appetite for more; the whole experience of the five years since 1931 has shown that the policy of continuous capitulation to the extending Fascist offensive has only accelerated the advance to war. On the other hand, the line of the collective peace front, if fully and effectively carried out, can bar the road to the present war offensive, since the Fascist dictatorships would not attempt the risk of aggression against the certainty of a superiority of forces against them. It is the *uncertainty*, and the elements of support from within the rest of the imperialist camp, that encourage the aggression and thus make certain the advance to war. At the same time the closing of the road to war for the Fascist dictatorships is the most direct help to the peoples in the Fascist States; the inner contradictions of the regime are intensified by the lack of outlet in war; and the peoples in the Fascist States are consequently in a stronger position to overthrow their oppressors.

It is of the greatest importance that these many questions of controversy within the camp of the supporters of peace, which at present hinder effective mobilisation and concentration of the full forces of the fight against the war offensive, should be cleared as rapidly as possible, and that an effective common line, utilising every possibility for peace, should be developed.

The fight for a real collective peace front, while constituting no final guarantee against the outbreak of war (in view of the extreme instability of the imperialist forces), and therefore no substitute for the mass struggle against imperialism which can alone be

finally decisive, requires to be actively carried forward in the present stage by the mass forces of the struggle for peace as a means to block the road to the Fascist war offensive.

Does this line of fight for a collective front, also including imperialist States, for the maintenance of peace in the present situation against the immediate danger of the Fascist war offensive mean that the danger of war can, in accordance with the recipes of liberal-pacifism, be exorcised within imperialism—i.e. that imperialism can be turned into its opposite? On this question there can be no room for misunderstanding, or for regarding the line of so-called collective security as a substitute for the necessary line of mass struggle against imperialism. For those who tend to regard this line as equivalent to a concession to liberal-pacifist illusions, may be recommended the words of Litvinov in 1933 :

“We know the nature of capitalist States, the nature of imperialism, its foreign problems and functions ; basically these problems and functions do not change. What changes is the tactics pursued for solving these problems and their application to the historically changing circumstances. It is these changing tactics which it is the custom to call diplomacy. The fundamental feature of a capitalist and particularly of an imperialist State is that it places before itself foreign objectives the realisation of which it cannot conceive without the application of force, without war.....

“But not all capitalist States at any or every time or always desire war to the same extent. Any, even the most imperialist State, at any given time, may become strongly pacifist. This happens when it has either suffered a defeat in war, and therefore requires a certain interval before it can be ready for a new war, or when it has as antagonist a far more powerful State or group of States and the general political situation is unfavourable ; or it may happen when a country has become over-satiated with victories and conquests and requires a certain period of time for the assimilation of these conquests. There

are also other factors which may predispose countries against war: for instance, internal disturbances, economic weakness, etc."

(Litvinov, speech to the Central Executive Committee of the Soviet Union, December 1933)

The basic policy of all capitalism and imperialism is war. The pacific tendencies which arise from time to time on the part of particular capitalist or imperialist States seeking to avoid war in certain situations or periods are the temporary reflection of special, concrete situations for limited periods, and are only valid so long as these conditions exist. The possibilities of utilising these pacific tendencies are therefore only *temporary* possibilities, and no permanent solution of the problem of war or its causes. But the utilisation of these temporary possibilities is of the greatest importance, not for permanently eliminating war within capitalism—this aim is the illusory ideal of liberal-pacifism—but for *delaying* its outbreak. This is the immediate or first objective of the struggle for peace,

Why is it of such importance to delay by every means the outbreak of a new world war, if under imperialism war is ultimately inevitable?

First, because a new World War would be an incalculable disaster for humanity, involving material, human and cultural destruction without parallel. A second world war would not prevent the ultimate victory of the socialist revolution; but that victory would in such a case have to come by the heaviest, most costly and most bloodstained path of suffering and destruction, and would be faced with a far more laborious and slower task of reconstruction. So long as there is the least possibility, by delaying the outbreak of new world war, to reach the necessary goal of social transformation before its outbreak, and thereby prevent war once and for all, every effort is worth making to achieve this.

Second, because every delay in the outbreak of the threatening world war increases the relative strength of the socialist forces throughout the world and weakens the relative strength of imperialism. Every year, of

peace increases the gulf between the advance of the Soviet Union and the decline of the capitalist world. Every year of peace extends the possibility for the workers to mobilise their forces, realise unity on a national and international scale, and carry forward their class front against capitalism, so as to be ready for the future decisive struggles. And similarly every year that the outbreak of world war is delayed sees the further advance of the colonial forces of liberation and the further undermining of imperialism. Therefore with every year that is gained the balance is shifting in favour of the rising forces, and the possibility is increased, either to overthrow imperialism before the outbreak of war, or, if this is still not possible and war first breaks out, to be capable of more rapidly transforming it into the victory of socialism in a decisive series of countries.

Finally, because the struggle for peace directly assists to mobilise the forces and prepare the ground for the further struggle against imperialism. The peace front unites, around the central core of the international working class, the intermediate strata, the peasantry and the majority of the population in all countries, to whom war is only disaster and calamity, no less than the colonial peoples struggling against imperialist domination. Such a far-reaching alignment on a world scale, isolating the finance-capitalist oligarchy, and drawing the masses of the world's population around the hegemony of the working class, is indispensable to the final victory of world socialism.

The struggle for peace can from its nature achieve no final solution of the problem of war. Since war is inherent in the contradictory monopolist interests and State system of imperialism, the final elimination of war depends on the realisation of a unitary form of world organisation which eliminates these contradictions. The struggle for peace can only fulfil a temporary and partial role in relation to this deeper aim. It is this ultimate question of world organisation, which becomes more and more visibly urgent in the conditions of to-day, that we need finally to consider on the basis of the foregoing survey of the forces of the world situation.

2. *Towards the future world society*

The completion of our survey thus brings us once again to the basic problem of world organisation; but it brings us to it this time after a closer analysis of the concrete conditions of the problem and its solution.

The war of 1914 revealed that world economy is beating against the barriers of the existing State forms. The productive forces at the present stage of technique and development raise the possibility and the necessity of an all-embracing world economic organisation for their most effective utilisation. But they thereby sound the doom of the existing system of independent sovereign States and imperialist groupings.

Imperialism appeared on the scene as the representative and bearer within the conditions of capitalism of the attempt to overcome the existing State limitations and reach out to a wider world area of unified control. The gospel of imperialism was preached as the supposed higher conception of the necessity under modern conditions of a large-scale, super-national, wider, expanding economic-political area in place of the "narrow" conceptions of the old school ("Little Englanders," etc.).

But in fact imperialism only raised the initial contradiction to a higher plane. The conflict of the nation-States passed into the modern conflict of the great imperialist *blocs*, with the smaller States either passing into the role of satellites, dependants or pawns, or maintaining a precarious independence as the buffers at the point of interplay of a larger imperialist antagonism. And the conflict of the imperialist *blocs* proved to be more deadly than the old.

Thus the supposed solution through imperialism was not only false at the root, in its basis in colonial subjection and exploitation in place of true economic co-operation, with the consequent inevitable undermining and eventual break-up of the attempted unified structures; but it equally failed to resolve the conflict at the top and only reproduced it in intensified form. If the battle of the few giants replaces more and

more the skirmishing of the many pygmies, the change of the scale of the divisions has not necessarily brought unity nearer on this basis; on the contrary, it tends to have an opposite effect, since the smaller States through their weakness are relatively more disposed to enter into forms of collective co-operation (as typically demonstrated in their role in the League of Nations), while the world imperialist *blocs*, each striving for world domination, are the principal enemies of world unity.

In consequence the problem of unity has appeared to the ideologists of imperialism as the problem of "ultraimperialism"—the realisation of a single world imperialism, whether peacefully or otherwise. Typical as an expression of this outlook, in abstractly political and juridical form, is the statement of the contemporary historian and liberal theorist of imperialism, Professor Arnold Toynbee, who sees a future world State as inevitable and presents the alternatives as either voluntary federation of the existing imperialist and capitalist States, or the ending of the international anarchy by the "universal empire" of one over the rest :

"When we study history we perceive that the political problem with which we are grappling, in our generation of society, is by no means unprecedented. The curse of political anarchy which comes from the distribution of sovereignty among a plurality of local States has afflicted other societies before ours; but, in all those other cases in which the same situation has arisen, it has always been transitory. For anarchy by its very nature cures itself sooner or later, by one means or another. The cure may come through a voluntary, pacific, rational constructive effort, such as we are making in our day—an effort to deprive the local States of their sovereignty for the benefit of society as a whole, without at the same time depriving them of their existence. Alternatively, the cure may come through a blind, violent, irrational and destructive clash of material forces. Refusing to surrender their sovereignty, the local States may continue to collide with one another in war after war, until this political struggle for existence is terminated at length by a 'knockout blow.' On this alternative, all the local sovereign States except one are doomed eventually to forfeit

not only their sovereignty but their very existence; for, on this alternative, the anarchy will be ended, not by agreement, but by force; not by the organisation of a pacific League of Nations, but by the imposition of a universal empire through the victory of one militant nation over all the rest.”

The choice is thus presented as either voluntary federation of the existing imperialist States by the surrender of their sovereignty to one world centre, or else world unification through the victory and domination of one imperialism over the remainder. (The third alternative, that the transformation may come from within, that the existing State forms are no solid crystal, and that the masses may advance to their overthrow and on the basis of their overthrow proceed to build up the world Socialist order, does not enter into the perspective of this philosopher.)

But in fact the whole survey that we have made of the real forces of world development in the present period has gone to show that imperialism knows no way of expansion save by conquest and domination. The conception of a peaceful unification of imperialisms is a liberal illusion which fails to take into account the economic basis and structure of imperialism, the antagonistic interests of the rival monopolist groups, the impossibility of any peaceful partition of interests and areas of exploitation save on a basis of relative strengths, and the consequent impossibility of any stable agreement in view of the law of the uneven development of capitalism. Capitalism is in essence anti-collective, capable of combining only against a common enemy, and therefore incapable of a collective outcome on a world scale.¹ World federation is ultimately incompatible with private property in the means of production. This question has been already fully discussed in Chapter V.

1. So deeply engrained is this basic competitive, anti-collective assumption in the bourgeois outlook as the natural, eternal law of life, that certain imaginative writers of the bourgeoisie, such as Andre Maurois in a recent work, have elaborated phantasies to show that world federation could only be achieved by inventing

In consequence, while it remains correct that the existing stage of technique and economic development, no less than the dilemmas of the political situation, drive forward to world unification, the path along which imperialism in reality endeavours to realise this drive is the only path open to imperialism in accordance with its laws of development, the path of struggle and conquest through successively enlarging wars to the ultimate extermination of rival claims and the final victory of one imperialist grouping to achieve world domination. This is the only path, even theoretically conceivable, to world unity within the conditions of imperialism.

For this final struggle the world imperialist *blocs* are arming and preparing with all their power. Consciously or unconsciously, this ultimate aim of world domination sounds through the utterance of all imperialism. Indeed, it finds conscious expression in Hitler's *Mein Kampf*:

"Whoever would really wish from his heart for the victory of the pacifist conception in this world must devote himself by every means to the conquest of the world by the Germans....It is necessary, then, for better or for worse, to determine to resort to wars in order to achieve pacifism....In reality the pacifist humanitarian idea will perhaps be excellent on that day when the man superior to all others will have conquered and subjugated the world first of all in such a measure that he becomes the sole master of the earth."

(Hitlers, *Mein Kampf*, p. 315)

In accordance with the laws of its being, every imperialism advances to the battle for world domination. The words of the song of the Nazi Storm Troops—

*Denn Deutschland gehört uns heute
Und morgen die ganze Welt*

a common enemy---in the case of this particular work of fiction, a supposed expedition for war against the moon. The logic is correct on bourgeois standards. The possibility of human co-operation for positive, constructive ends, which is easily conceivable to scientists, engineers and workers, is beyond the power of imagination of these "imaginative" writers of the bourgeoisie.

("For Germany is ours to-day, and to-morrow the whole world")—are in reality, though seldom so openly proclaimed, the leitmotiv of every imperialism. No less specific was the proclamation of Hitler in 1936 :

"I do not believe there can be peace among the nations until they all have the same law and system of law that is why I hope that National Socialism will one day extend over the world. This is no fantastic dream, but an achievable object."

(Hitler, speech at Munich, March 14th, 1936)

Answering it sounds the call of the British Conservative leader, the former Colonial Minister, L. S. Amery, proclaiming the dreams of British imperialism for the British Empire to expand to include the whole world, in his recent book, *The Forward View* (in which he incidentally proposes as a modest first step the addition of Sweden; Norway, Denmark, Iceland and Greenland to the British Empire) :

"Our task is to work for the unity and strength of the British Empire, to maintain its vitality, the comprehensive elasticity of its organisation, and the breadth and boldness of its outlook, so that it may be equally fitted, as the world shapes itself, to give the lead in promoting the eventual scheme of world union, or to provide the nucleus which may gradually expand to include all mankind."

(L. S. Amery, *The Forward View*, 1935, p. 269)

Echoing this may be noted the letter from an Oxford University don given pride of place in *The Times* of February 3rd, 1936 :

"Some day the British Empire may be able to extend its limits so as to include all States which are genuinely inspired by ideals of peace and international co-operation."

This is not the view of Mussolini, who finds the British Empire in decay and in speech after speech proclaims the Cæsarian destiny of Rome to the empire

of the world. Running counter to all these dreams of the European imperialist Powers for world hegemony, American imperialism proudly proclaims its manifest destiny to world hegemony through the initial paths of economic penetration :

“The ‘feeling’ of victory is on America’s side. It is America’s ‘day.’ The devastating ‘will to win’ so characteristic of youth, and the energy and daring which flow from it, drive America forward. That sense of ‘manifest destiny’ is contagious.... This conviction penetrates even Britain. The aged Empire is fighting not only the real challenger, but also the living ghost of world supremacy, which advanced with the Roman legions of old, which has led the British for generations, and which now seems to fight for America....

“The ‘Americanisation’ of Europe and the far places of the earth advances.... We were Britain’s colony once. She will be our colony before she is done, not in name, but in fact. Machines gave Britain power over the world. Now better machines are giving America power over the world....

“What chance has Britain against America ? Or what chance has the world ?”

(Ludwell Denny, *America Conquers Britain*, 1930; pp.404-7)

Across the waters of the Pacific answers the voice of Japanese imperialism :

“Our imperial spirit (*Kodo*) which is the embodiment of the union between the true soul of the Japanese State and the great ideal of the Japanese people, is by its nature a thing which must be propagated over the seven seas and extended over the five continents. All obstacles interfering with this must be destroyed with stern determination, not stopping at the application of real force.”

(General Araki, "Problems Facing Japan," in *Kaikosha*, July 1932, quoted *Japan Chronicle*, March 22nd, 1933)

"In order to conquer the world we must first conquer China....With all the resources of China at our disposal we shall pass forward to the conquest of India, the Archipelago, Asia Minor, Central Asia and even Europe."

(Memorandum of Baron Tanaka, Japanese Prime Minister, to the Japanese Emperor on July 25th, 1927)

These conceptions are manifestly fantastic, absurd, the voices of chauvinist fire-eaters. Coolly considered, that is correct. Yet they are the voices of the most active driving forces of every modern imperialism, the ideological reflection of the limitless drive to expansion of finance-capital. They are the correct expression of the only path forward along which imperialism must strive to urge its ever-accelerating course.

The same dream runs through them all. Yet they cannot all be fulfilled. At the most, only one can be fulfilled at the expense of all the remainder. Only one imperialism can achieve world hegemony at the expense of every other. And the path to this fulfilment of one world imperialist domination must lie through oceans of blood.

In practice, however, what is the prospect of such a single world imperialist domination being realised? While such an ultimate victory of one imperialist grouping achieving world domination is theoretically conceivable, it is manifest that in the real historical process, with the present close balance in strength between the rival imperialist groupings, and with the already extreme sharpening of social and political antagonisms even before the outbreak of war, the actual outcome of such a struggle or series of struggles could only be so wholesale a destruction of forces and weakening of the existing social structure, as to lead, long before the final world victory of one or another imperialist grouping, to the shattering of the

foundations of imperialism and the victory of the world socialist revolution over a decisive area of the earth. The first world war led to the victory of the world revolution over one-sixth of the earth. To what would a second world war lead ?

The victory of the world socialist revolution does not depend on the development of new world war. On the contrary, such a development, while accelerating the growth of mass unrest and eventual revolutionisation, would constitute in certain respects the most unfavourable and difficult conditions for the building of a stable power and for the tasks of construction, owing to the wholesale destruction, anarchy and barbarism thus let loose by the bourgeoisie in its death-throes. If the working-class forces should prove strong enough to conquer power before the outbreak of new world war, this would constitute a far higher plane of development.

But in the event of the bourgeoisie succeeding to unlaunch renewed world war before the working-class conquest of power, there can be no question of the final outcome. The dialectics of war and revolution in the present epoch have been already demonstrated in the first imperialist war; and the conditions in all these respects are far stronger and more developed to-day. Modern war depends in every respect on the masses, not only in the fighting lines, but equally behind the lines on the maintenance of the industrial machine, and finally on the reaction of the civil population to the newest strategic methods of mass destruction directed against them, not only for direct slaughter, but for shattering internal social organisation.¹ Napoleon,

¹ Compare in this connection Churchill's speech in the House of Commons on November 28th, 1934, discussing the problems arising from the prospect of aerial bombardment :

"Not less formidable than these material effects are the reactions which will be produced on the mind of the civil population. We must expect that under the pressure of continuous air attack on London at least three million or four million people would be driven out into the open country around the Metropolis. This vast mass of human beings, numerically far larger than any armies which have been fed and moved in war, without shelter or food, without sanitation,

according to the memoirs of Chaptal, feared the slightest unrest among the workers more than a lost battle. But Napoleon had neither to deal with the modern conditions of mechanised production, nor with the modern working-class movement.

In the first decade after the war the theory was evolved that the revolutionary outcome of the first imperialist war could not be repeated, since the future of military strategy lay with the small mechanised army of picked units, excluding the role of the mass, henceforward regarded by imperialism as "dangerous." The theory was in any case baseless, since the very advance of mechanisation increases the decisive role of the industrial worker. But its initial assumption was also false, as was demonstrated on the day that the German General Staff, the most highly skilled leaders of the art of war in the capitalist world, rejected the limitation to a small professional army, so soon as the international political situation made this defiance of Versailles possible, and adopted mass conscription. Thereby imperialism recognised that it was compelled to place the final military decision in the hands of the masses of the people.

and without special provision for maintaining order would confront the Government of the day with an administrative problem of the first magnitude, and would certainly absorb the energies of our small Army and of our Territorial Force. Problems of this kind have never been faced before."

It will be observed that the main problem is here regarded as an "administrative" problem of organising and "maintaining order" in the civil population, and that this task of maintaining the existing class-regime under conditions of unparalleled social disorganisation is even regarded as the main task which will "absorb the energies" of the land military forces in a future war. Should, however, "the Government of the day" not be able to count with confidence on the military forces for the fulfilment of this task in the midst of a discontented civil population, under conditions of extreme privation and suffering, and goaded by the contrast of the relatively sheltered conditions of the ruling class the consequent problem is not further discussed. The imperialists have reason to dread the final hazard of a new war. Nevertheless, necessity drives them on.

Out of the conditions of the inevitable struggle of the imperialist Powers for world hegemony, which is itself the expression of the drive to an attempted "solution" of the problem of world organisation within the conditions of imperialism, no less inevitable develop, whether that struggle reaches to the point of world war or not, the forces which transform these conditions to their opposite and thus eventually reach to the only final solution of the problem of world organisation by the working-class conquest of power and the unitary socialist organisation of world economy. This is the third alternative which remains outside the scope of the imagination of the bourgeois theorists on the problem of world organisation, because it appears to them only as a remote and hypothetical vision of the future, and is not seen by them in its real character as a living, concrete force—the "world power" as Marx expressed it nearly a century ago, of communism—growing daily out of the soil of existing conditions and contradictions.

The necessity of world organisation is to-day increasingly recognised by all schools of thought. But the proposed solutions within the conditions of imperialism, whether by the voluntary federation or unification of the rival imperialist Powers, or by the world domination of one imperialist Power through the conquest of the remainder, are in fact Utopian fantasies, which are not only incapable of solving the problem, but are also incapable of practical realisation, by reason of the contradictions of imperialism. On the other hand, the ultimate—and even not far off—development, through struggle, from the existing contradictions to their eventual outcome in the victory of the world socialist revolution and the final World Union of Socialist Soviet Republics, is not only the sole final solution of the existing contradictions and antagonisms, uniting purposive centralised organisation with human freedom, but is also the only practical goal to which the path is already marked out, step by step, from the existing conditions, and which is already in fact in process of realisation. The understanding of this, which was already clear in principle nearly a century ago, when Marx and Engels wrote the *Manifesto of the Communist Party*, is to-day becoming increasingly clear to wider and wider sections in the living experience and facts of present world politics.

Why this should be so follows necessarily from the conditions of the problem. The fatal obstacle to every attempt at world organisation within the conditions of imperialism lies in the antagonistic tendencies of the rival groups of monopoly-capital, i. e., in the impossibility of basic unity of the world bourgeoisie. The American Professor of Political Science, Frederick L. Schuman, at the conclusion of his exhaustive study of over 900 large-size pages on *International Politics*, endeavours to assess the future perspective from the bourgeois standpoint. He regards with unconcealed horror and anxiety the prospect of the ultimate victory of the world communist revolution. Nevertheless he is compelled to admit that the bourgeoisie as a class is incapable of world unity :

"If there were a world ruling class in the world society, the problem of political unification would be considerably simplified. But there is no such elite with a consciousness of its solidarity on a world scale. The dominant bourgeoisie is sharply divided into competing and conflicting national groups. There can, moreover, be no world-wide concert of power among these ruling classes, for 'power' itself is relative and postulates not a community of interests but a divergency of interests. . . States and Governments, as embodiments of power, can function only *vis-a-vis* other and potentially hostile embodiments of power. They cannot function in the abstract on a world-wide scale."

(F. L. Schuman, *International Politics*, 1933, p. 831)

As against this, he is compelled to recognise that the world proletariat is capable of realising world unity :

"If the sequence of events unfolds as the communists anticipate, and if their plans are eventually carried into successful execution, the world, will indeed attain political unity before the close of the present century."

(Ibid, p. 841)

He recoils with alarm from this solution and the struggle it involves. But the merciless logic of facts

leaves this professor of bourgeois political theory no alternative to offer. In order to escape from the inevitable communist conclusion of his own analysis, he has to conclude with the pious hope, in lieu of an alternative, that imperialism may somehow abandon "the competitive quest for private profits through tariff protectionism, autarchy, dollar diplomacy and financial imperialism" and turn instead to "co-operative efforts designed to promote the general welfare of all nations in a world society"—i.e. that imperialism may cease to be imperialism. The bankruptcy of bourgeois theory before the problem of world organisation here receives typical expression.

The world economic contradictions which characterise capitalism, and receive their highest expression in imperialism, are not inevitable from the inherent natural-physical conditions of world economy or of the organisation of productive relations between peoples. They arise solely from the social relations of production in class-society, the battles of the anarchic world market and the conflict of interest of rival groups of capitalist property-owners. These contradictions can only be eliminated in the collective world organisation of economy. But such collective world organisation of economy requires the removal of the obstacles of capitalist ownership in the means of production, in order that the whole of world economy can be organised on a single plan to meet the needs of the world's population. Not only political sovereignty, as expressed in the existing State system, must go, but also economic sovereignty, as expressed in the existing system of property relations. The former is only the reflection of the latter; and the bourgeois internationalist reformers' attempts to battle with the evils of the system of divided States sovereignties only beat the air, because they fail to realise that this system is rooted in existing class-relations and in the division of the ownership of the means of production between rival monopolist groups.

This prospect of the necessary future path of world social organisation is no dream of a Utopian millennium remote from the issues of present struggles. The Soviet Union has already shown that such international

collective organisation can be realised over one-sixth of the earth, with complete equality and national freedom, covering a range of peoples at every stage of development and with over one hundred and fifty different languages, and with the peoples at a more advanced stage of development actively assisting those at a more backward stage rapidly to attain an equal technical and cultural level. There is technically nothing whatever to prevent the extension of this process to a world scale in the immediate future. Technically and economically, all the conditions are already present for world organisation. Only one issue remains to be solved in order to realise this—the issue of *power*. The power of capitalism, of imperialism, must be broken. Power must be transferred to the working class leading all the working masses. So will be realised the eventual World Union of Socialist Soviet Republics, or unified international rule of the working class, to carry out the tasks of world socialist organisation and prepare the way for the future world communist society.

The path forward to this next stage arises out of the existing conditions and contradictions. The working-class forces and their allies advance in strength throughout the present historical period, despite and through incidental defeats; the colonial peoples advance towards liberation, imperialism cracks up, despite and even through the ever more violent efforts to maintain it.

This outcome is historically inevitable, because every other attempted solution necessarily breaks on its own contradictions, and because out of these very contradictions the forces of the future grow in strength, while the forces of the declining world weaken. But how soon it will be realised depends on the human factor, on the speed of the awakening and development of the mass struggle in response to the issues of the present period. Herein lies the critical question with regard to the menace of a second world war.

If there is delay in mobilising the mass peace front against the immediate menace of new world war, and in going forward with the consequent developing struggles against Fascism and the capitalist offensive to

the final revolutionary issues and the decisive struggle for the working-class conquest of power, then world war is inevitable ; and the path to the ultimate world socialist organisation will have to lie through an epoch of immense destruction and human suffering.

But there is still the possibility to realise the other road. If we can succeed in organising the mass front to-day, before it is too late, both for the struggle against the immediate menace of new world war, and in order to advance towards the decisive battle against capitalism and for the conquest of power by the working class, so that the victory of the revolution in a series of countries may yet precede the threatened plunge of imperialism into new world war, and thus prevent it, shattering Fascism from within, then we will have achieved the most favourable conditions for the most rapid advance to the future world society with the minimum of suffering and destruction. This is the possibility for which we need to exert every effort to-day, at the same time as preparing with open eyes for either alternative.

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